

**EFFECTS OF EMPLOYEES RETENTION STRATEGIES ON EMPLOYEES
PERFORMANCE (IN THE CASE OF COMMERCIAL BANK, WOLKITE CITY)**



**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF
WOLKITE UNIVERSITY IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION**

BY

LEULSEGED NIGATU

ADVISOR

TASEW SHEDAGA (PH.D)

DEPARTEMENT OF MANAGEMENT

COLLEGE OF BUSINESS AND ECONOMICSSCHOOL OF GRADUATE STUDIES

WOLKITE UNIVERSITY

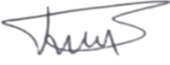
April, 2024

WOLKITE, ETHIOPIA

Advisor's approval sheet

This Research Thesis Conducted by Leulseged Nigatu which entitled “the effect of employees’ retention strategies on employees’ performance (in the case of Ethiopian commercial bank, Wolk City” Has been submitted for Examination with my Approval as the University Appointed Supervisor.

*Name: **Tasew Shedaga**(Ph.D)*

Signature:  _____

Date: 8/04/2024

Declaration

I declare this Research thesis entitled “*the effect of employee retention strategies on employees’ performance (in the case of Ethiopian commercial bank, Wolkite City*” is my own Work and has not been submitted for any degree or examination in any other University.

Name: LeulsegedNigatu

Signature _____

Date: 8/4/2024

Statement of Certification

WOLKITE UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

As members of the Examining Board of the Final MBA Open Defense, we undersigned certified that we have read and evaluated the thesis entitled “the effect of employees’ retention strategies on employees’ performance (in the case of Ethiopian commercial banks, Wolkite City” by Leulseged Nigatu and examined the candidate. We recommend that the thesis be accepted as fulfilling the thesis requirement for the degree of Master of MBA.

External Examiner

DR .Berhun Muche



31/5/2024

Name

Signature

Date

Internal Examiner

Ass.prof.Birhanu Tereda

Name

Signature

Date

Chair person

Alemayehu Takele

Name

Signature

Date

Final approval and acceptance of the thesis contingent upon the submission of the final copy of the thesis to SGS through the DGC/SGC of the candidate’s department.

Thesis approved by

DGC/SGC

Signature

Date

Acknowledgments

First and for most, my thanks go to the Almighty God for his graciously provision of knowledge, required for the completion of this paper and for bringing my dreams into reality. I would like to express my heart-felt thanks and sincere appreciate on to my advisor **Tasew Shedaga(Ph.D)** for his all round help, guidance, valuable comments and encouragement which enabled me to complete the research paper. My warm thanks go to my families fortheir endless encouragement and moral support, during my entire academic career. Lastly, but not least, I would like to gratefully acknowledge all employees of commercial bank those are help me by giving their valuable time. Finally, I would like to thank all my families and friends for their support in all matters from the start to the end of the program.

Table of content

Contents

Advisor's approval sheet.....	I
Declaration.....	II
Statement of Certification.....	III
Acknowledgments.....	II
Table of content.....	I
List of Table.....	III
List of Figures	III
Abbreviation.....	III
Abstract	VI
CHAPTER ONE	Error! Bookmark not defined.
1. INTRODUCTION	1
1.1. Background of the study	1
1.2. Statement of problem.....	3
1.3. Objective of the Study	4
1.3.1. General objective	4
1.3.2. Specific objective.....	4
1.4. Research Hypothesis.....	5
1.3. Significance of the Study	5
1.7. The Scope of the Study	5
1.8. Limitation of the study.....	6
1.9. Organization of the study.....	6
1.9. Definition of Operational Terms.....	6
Chapter Two.....	7
2. Review of related Literature.....	7
2.1. Theoretical literature	7
2.1.1. Employees' performance	7
a. Employee Retention Strategies	9
b. The effect of employee retention on employees' performance	9
c. Empirical Review.....	13

2.4.1. Other Countries Studies	13
2.4.2. Empirical Studies in Ethiopia	15
2.5. Conceptual framework.....	17
CHAPTER THREE	19
3. RESEARCH METHODOLOGY.....	19
3.1. Description of case area	19
a. Research design	19
3.3. Research approach	20
3.4. Data sources	20
3.5. Methods of data collection.....	20
3.6. Sampling Design.....	21
3.7. Sampling technique.....	21
3.8. Data collection tools	21
3.9. Methods of data analysis.....	22
3.10. Specification of Econometric model.....	22
3.11. Ethical issues, Validity and Reliability	23
3.11.1. Reliability.....	23
3.11.2. Validity	23
3.11.3. Ethical considerations	24
CHAPTER FOUR.....	25
4. DATA ANALYSIS, DISCUSSION AND INTERPRETATION.....	25
4.0. Introduction.....	25
4.1. Descriptive Analysis	25
4.1.0. Response rate	25
Table 4.0.Response rate	25
4.1.1. Demographic Profile of Respondents	26
4.1.1.2. Level of work experience.....	27
Fig. 4.1.Level of work experience	27
4.2. Correlation Analysis.....	27
4.3. Test of Classical linear regression assumptions.....	28
4.3.1. Multicollinearity test	28
4.3.2. Test for Autocorrelation.....	29
Table 4. 4, Test for Autocorrelation.....	30

4.3.3. Normality test.....	30
Fig. 4.2. Normality Test.....	30
4.3.4. Test for Hetroscedasticity	31
Fig 4.3. Test for homoscedasticity assumption with scatter plot.....	31
4.4. Regression result and discussion.....	31
4.4.1. Regression model summery.....	31
Table 4.5. Regression model summery.....	32
4.4.2. ANOVA Analysis	32
Table 4.6. ANOVA Analysis	32
4.5.3. Regression Coefficients.	33
Table 4.7.Regression Coefficients.	33
CHAPTER FIVE.....	35
5. CONCLUSION AND RECOMMENDATION.....	35
5.1. Conclusion	35
5.2. Recommendation	36
5.4. Suggestions for further research.....	37
Reference	38
Appendix.....	39

List of Table

List table	page
Table 3.1. Reliability Statistics.....	29
Table 4.1. Respondent's Profile.....	26
Table 4.2. Correlational anlysis	29
Table 4.3. Coefficients ^a	29
Table 4. 4, Test for Autocorrelation.....	30
Table 4.5. Regression model summery.....	32
Table 4.6.. ANOVA Analysis	32
Table 4.7. RegaAression Coefficientaas	33

List of Figures

List of Figures	page
Fig. 4.1. Level of work experience	27
Fig. 4.2. Normality Test.....	27
Fig 4.3. Test for homoscedasticity assumption with scatter plot.....	31

Abbreviation

ANOVA..... Analysis of Variance

CBE Commercial Bank of Ethiopia

MBAMasters of Busses Administration

DRDoctor

SNNPRSouthern Nations, Nationalities and Peoples'

SPSS.....Statistical Package for the Social Sciences

Abstract

Employee performance is the concern of the study is the employee's actual contribution to the productivity of the organization, in terms of volume or personal capacities and quality of output of the employee or the intensity of their effort that reflects the productivity of Employee. The main objective of this study is to examine the effect of employees' retention strategies on employees' performance. To arrive at an appropriate conclusion about the issue, the researcher has used explanatory research design. For the need of achieving the stated objective of this study, quantitative research approach has been utilized to meet the overall objective of the study. Data were gathered from both primary and secondary sources. The primary data were collected by using questionnaire with both open ended and close ended questionnaires from permanent employees of the institution. Secondary data collection tools include assessing the institution's annual report, regulations, magazines and articles. All permanent employees of Ethiopian commercial bank, Wolkite city are the study's target group. Sample size of this study was 303 respondents they were used to collect and analyze primary. In order to make data analysis, primary data that were collected from respondents and it is tabulated and analyzed using statistical package software for social sciences (SPSS) V.25. For this study, the researcher may use multiple regression models. According to multiple regression model of the study, five determinant variables (Training opportunity, employees' recognition, employees' salary, level of bonus, financial reward) have significant positive effect on employees' performance. Finally, the researcher has recommended that the bank better to develop good incentive schemes to employees. Incentive schemes also play an important role in increasing the performance of employees.

Key Words: Determinants, Employees performance, multiple regression models.

CHAPTER ONE

1. INTRODUCTION

This chapter provides the general overview of the study; accordingly, it included the following nine sections: the first section is background of the study, which gives some insight on the concern of employees' retention strategies and employee performance, the second section is the statement of the problem part that shows the direction of the study, give explanation to the motive of carry out this study. Subsequent to this, research questions, general and specific objectives of the study, significance of the study, scope of the study and operational definition of terms are present.

1.1. Background of the study

According to the business dictionary, employee performance management is activities related to a job that is required of an employee, and how well these are done. In an organizational setting, there are different types of resources that are used to enhance the smooth operations of an organization such as human capital, money, machinery and raw materials. Any organization can be able to afford the right materials or enough money or even up-to-date machinery to conduct their operations smoothly but not every organization can afford the right human capital. Human resource is a very vital asset to an organization because it helps an organization achieve its competitive edge against its competition in the same industry. For this reason, employee performance is very important to the twenty first century organizations for this will enable them compete favorably against the changing environment with other organizations. Therefore, the effectiveness and efficiency of any organization cannot be achieved without effective management of its human resource as it is noted by (Redman & Wilkinson, 2013).

Human resource can be defined as the most important resource to affect job performance in organizations. A well trained, motivated workforce makes it possible to achieve the organization's success. For this reason, management has to supply not only raw materials, facilities, and equipment, but it also has to motivate its employees. Productivity, quality and customer relations are the key areas of success and these depend on performance of the employees. Employees will perform well if they are motivated (Armstrong, 2010). Managing employee performance is an integral part of human resource management. Although many factors contribute to productivity, job performance is viewed to be the most influential one. One

of the indicators in enhancing and improving the service industry is job performance. Job performance refers to the behaviors that are expected in the line of the organizations' goals and the purpose under control of individual employees (Campbell et al., 1993).

Employee retention is a key component of personnel management on a global scale. Staff productivity and organizational performance in Pakistan's oil and gas industry have been considerably impacted by employee retention; claim Hunjra, Raza, and Munir (2014). This was based on a study that looked into the connection between staff retention tactics and worker performance in Pakistan's oil and gas industry. Employee productivity and retention are related, whereas employee productivity is closely related to the success of the Oil and Gas Companies claim Hunjra, Raza, and Munir (2014). In Australia, business success is correlated with the organization's capacity to keep talent, as strong personnel retention boosts both performance and productivity (Galbreath, 2010). In Australia, businesses develop environments that help employees perform better for the company.

On the other hand, staff retention strategies are used in African nations to combat high employee productivity. According to Gberevbie (2010), staff retention had an impact on organizational performance in Nigeria. In Lagos hospitals, Gberevbie (2010) looked into the effects of talent retention inside the business. The study discovered that nurses in the state of Lagos saw increased turnover. Salary and benefits, a lack of nursing leadership, the working atmosphere, and job security were all blamed for this. Strategies for keeping employees on board that are appropriate and compatible with company culture are required. In a related study, bonuses, incentives, high pay, and perks were used as employee retention techniques, and these factors had a significant impact on employee performance (Osibanjo, Adeniji, Falola, &Heirsmac, 2014).

According to information gleaned from CBE's release, CBE collaborated on the creation of a staff engagement and retention strategy with Frankfurt School of Finance and Management. Consequently, CBE is succeeding in putting into practice a variety of human resources methods, such as human resource planning, job analysis, recruiting and selection, promotion, human resource development system, succession & career management, compensation and reward, and retention strategies. According to the newest documents of the CBE's Succession Planning and Management Work Package from the beginning of 2017, the CBE identifies and categorizes job titles into more than 350 categories. Of these, about 50 job titles are designated as being crucial to the CBE. And these job positions (titles) that are currently recognized as critical in the context of CBE are defined as: those job positions that are recognized as key contributors in achieving the organization's mission and vision of the CBE; the job positions are perform critical tasks that would prevent or hinder vital functions from being performed if they were left vacant; and the positions require specialized or unique expertise (skill sets) that are required for the position. Consequently, the influence of employee retention tactics on employees' performance at key job positions in CBE will be the main focus of this study.

In the banking industry, Bett (2019) suggested that remuneration offered the highest organizational productivity in comparison to employee development as retention tactics. As a result, the company needs to think about salary as a retention strategy. Therefore, these researches investigated and understand effects of employees' retention strategies on employees' performance (in the case of commercial bank, WolkiteCity).

1.2. Statement of problem

Due to high employee turnover rates, organizations frequently struggle to keep talented employees. As skilled employees leave the company, the organization's performance suffers as a result of staff turnover. Employee retention strategies should be created and applied in firms in order to reduce this issue. Therefore, firms must first identify the causes of employees leaving the company before coming up with effective methods to use in order to keep the staff. When a key employee is absent and unable to contribute their knowledge and experience to issues or choices, performance suffers (James & Mathew, 2012). Employees' performance is considered one of the major ingredients of organizational competitiveness Rogers, M. (1998).

Nowadays many companies use some kind of retention strategies to motivate and reward their employees. In the last two decades, retention strategies have become more popular and companies use lots of money in their incentive systems. The negligence of adequate structure in retention strategies has caused a lot of inequitable justice on the administration of incentive scheme. The resultant effect on employee productivity could be negative. The negative attributes can be seen as poor turnover, poor product quality improvement, job dissatisfaction, low morale, low commitment, absenteeism, low turnover intentions to stay with the organization and poor employee's productivity that affects input and output as it noted by Dr. Cross O. (2019). A key element in staff retention is the reward system. The majority of employees are either internally or extrinsically driven. The study will concentrate on the effects of both intrinsic and extrinsic rewards on an employee's performance. The study will focus on compensation, advancement, and workplace climate as some of the variables.

The use of retention strategies in organization or industries today has become increasingly essential considering the dynamic nature of the business world. There are a number of reasons. The first is an economic, Economic theory of Benefit and Compensation, Administration, Wages are strictly on the down side when the company faces, and hard times it is hard or impossible to lower the wages of current employees. In this way wages become a fixed. A second reason is continued in the "payment for results or performance" concept if the company relates pay to the desires outcome then this will

increase the probability of obtaining that outcome. In a highly competitive, global environment, organizations are constantly under pressure to retain their workforce (Dec, 2013).

Most previous researchers couldn't able to investigate the impact of effect of different reward system on employees' performance they merely studied the effect of financial incentives on employees productivity. Besides, most of them conduct their research on banking sectors and there are no scientific investigations and thematic researches conducted over this issue in case of of commercial bank, Wolkite city. Great success in CBE raises the possibility of raising pay and benefits since if the issue is not resolved, the organization risks losing qualified professionals. As the business strives to be world-class, the long-term expense of training new hires could have a significant impact. The purpose of this study is to examine the reality of employee retention practices in the north Addis Abeba district of Commercial Bank of Ethiopia (CBE) from the perspectives of its staff and human resource management officials, as well as what role retention plays in the performance of the organization. But the issue of employees' performance is an important and significant for any organization. Having this in mind, the basic motive of this research is to fill the gap on examine the effects of employees' retention strategies on employees' performance (in the case of commercial bank, Wolkitecity).

1.3. Objective of the Study

1.3.1. General objective

The general objective of the study is to examine effects of employees' retention strategies on employees' performance (in the case of commercial bank, Wolkite city).

1.3.2. Specific objective

The specific objectives of this study are the followings:

- To examine the relationship between employees recognition and employees' performance
- To assess the impact of working environment on employees' performance
- To determine the effect of training opportunities has positive and significant effect on employees' performance
- To assess the relationship between providing bonus to employees significant effect on employees' performance
- To identify the effect of non-financial reward on employees' performance
- To examine the effect of payment of high salary to employees on employees' performance

1.4. Research Hypothesis

Based on reviewed related literatures, the researcher developed the following research hypotheses.

H1: Employees recognition has significant effect on employees' performance

H2: Working environment has significant effect on employees' performance

H3: Training opportunities has positive and significant effect on employees' performance

H4: Providing bonus to employees significant effect on employees' performance

H5: Non-financial reward has positive and significance effect on employees' performance

H6: Payment of high salary to employees has significant effect on employees' performance

1.5. Significance of the Study

This study result would be useful to policy makers and provide basic information to human resource management department of the Commercial Bank of Ethiopia. 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 employee's at critical job position levels in the bank; and to ensuring the implementing effective and efficient employee retention strategies in CBE. Besides, this study will important in the formulation of organizational law and policy. It would also help other researchers who might have interest in conducting detailed study on the issue. The researcher believes that the study would help to identify benefits and limitations of employee retention, to provide possible recommendations and provide an overall view of employee retention and organizational performance for those who take interest in further study.

1.7. The Scope of the Study

The study is designed to examine the effect of employees' retention strategies on employees' performance (In the case commercial banks of Ethiopia, Wolkite city). Besides, the study will limit on examining the relationship between six independent variables (Namely: employees salary, bonus, non-financial reward, training opportunities, working environment and employees recognition) with employees' recognition. For this study, others determinant factors are out of the scope of this study. Obviously, this topic is an important for all sectors and it can be held at various governmental and non-governmental organizations; however, by taking the time, finance and the labor required in carrying out the data collection process into consideration, the study is delimited to In the case commercial bank of Ethiopia. Wolkite city).

1.8. Limitation of the study

The results of this study cannot be generalized to a larger population because it was restricted to the Wolkite city Commercial Bank of Ethiopia and was unable to include other geographically located parts of the Bank due to its exclusive focus on the Commercial Bank of Ethiopia. The study was conducted from the operational level manager to the highest executive management level (job positions) in CBE.

1.9. Organization of the study

This study has five chapters. Chapter one provides the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, scope of the study, basic assumptions of the study, and the definition of significant terms as used in the study. Chapter two represents the literature review of related literature as well as the theoretical and conceptual frameworks for the study. Chapter three presents the research methodology; it gives details on introduction, research design, target population, sample selection and sample size and sampling procedure, research instruments- validity and reliability of instruments, data collection methods, data analysis and summary of the research methodology. Chapter four of this study report gives an introduction, questionnaire return rate, demographic characteristics of the respondents, current job knowledge and skills, promotion and motivation, socialization and orientation and performance appraisal. Chapter five of this study report presents summary of the key findings, conclusions, recommendations part of the study.

1.9. Definition of Operational Terms

Working environment: is all about the employees work area surroundings which involve the physical, behavioral and managerial aspects intended to affect the employees' job performance and their reason of staying with the organization (Pal, 2011).

Motivation: A persons desire to do the best possible job or to exert the maximum effort to perform assigned tasks (Gomez-Mejia, L. R., et al (2015)).

Autonomy: The amount of control an individual has over his or her working life (Fincham and Rhodes, 2015).

Performance: A continuous process for improving the performance of individuals by aligning actual performance with that desired organizational goal (Cole and Kelly, 2011)

Chapter Two

2. Review of related Literature

In the previous chapter, the main problems and objectives of the study to be addressed in the study have been stated. This chapter presents the review of related literature. The chapter is organized in four sections. The first section reviews theoretical foundations on the concept employees' retention strategies and employees' performance whereas the second section presented the review of related empirical studies on the effect of employees' retention strategies on employee's performance. Under the last section, the researcher tried to show the conceptual frame work.

2.1. Theoretical literature

2.1.1. Employees' performance

Bhatti, and Qureshi, (2007) assert that employees' performance is the productivity measure encompassing both efficiency and effectiveness. It is important, therefore, to know who the productive employees are. Productivity is a performance measure encompassing both efficiency and effectiveness. High performing, effective corporations have a culture that encourages employee involvement. It may measure by long working hour, employees' commitment, economical utilization of resource, positive attitude toward their job.

Porter (1975); defined employees' performance as the action portrayed by the employees in the corporation towards the assigned task. The action may be positive or negative to the organization. The positive action results into better productivity of the organization while the negative one leads into poor productivity of the organization. Aligning the corporation's objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results will improve the productivity of the corporations. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce.

2.1.1. Measures of Performance

According to Armstrong (2005), performance is a multidimensional construct, the measurement of which varies depending on a variety of factors. Thus, employees' performance may be measured in terms of standards of their traits and general behavior on the job or in terms of results and goals. A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes. It may be evaluated on the basis of his traits and attributes as well as on the basis of his work or results and objectives achieved by him (Rowley & Jackson, 2011).

Employees' performance is an important factor that contributes to improve the outcomes, behavior and traits of the employees. It helps to improve the productivity of the organization. There are a number of methods that are used to evaluate employee's performance. According to Armstrong (2005) individual performance can be measured by reference to key performance indicators (KPIs) and metrics. KPIs define the results or outcomes that are identified as being crucial to the achievement of high performance. Measuring performance is relatively easy for those who are responsible for achieving quantified targets, for example sales. It is more difficult in the case of knowledge workers, such as scientists (Armstrong, 2005).

The most difficult aspect is measuring employee performance correctly and objectively (Bond and Fox, 2007:5). Measuring performance entails assessing the employee's key activities done and accomplishments during a certain time period in contrast to the goals set at the start of the period (Rudman, 2003:4). According to Kuvaas (2006:508), measuring also includes the quality of the accomplishments, conformity to the required criteria, expenditures, and time spent accomplishing the results. According to Bond and Fox (2007:5), measuring employee performance is the foundation of performance appraisal policy and management. Accurate and efficient performance measurement not only serves as the foundation for a thorough performance evaluation, but it also paves the path for more effective performance management.

Different input forms can be used to collect feedback from various sources such as the supervisor, peers, and the employee in order to measure employee performance (Mello, 2010:439). For instance, it can be highly useful to ask an employee to evaluate her own performance. It can use a form with multiple-choice questions, essay-style questions, or a combination of the two. Comparing a self-evaluation to an objective appraisal can help to uncover parallels and differences, as well as gain a better understanding of an employee's performance. It has the potential to spark discussions that are good to staff growth (Mello, 2010).

According to Rudman (2003:4), all of the viewpoints gathered should be blended appropriately in order to obtain an overall, comprehensive picture of the employees' performance. According to Anderson (2002:2), it is critical for a company to monitor or measure its personnel performance on a regular basis in order to achieve its objectives. Effective monitoring and measuring also include providing timely feedback and reviews of employees' work and performance in relation to pre-determined targets, as well as resolving any issues that arise (Mani, 2002:142). Rudman (2003:12) emphasizes the importance of timely acknowledgment of achievement.

a. Employee Retention Strategies

Employee retention, according to Armstrong (2006), refers to how a firm prevents its employees from quitting the company by developing retention tactics to make sure that people stay with the business. This study mentions six (6) strategies: remuneration, training, work-life balance, a positive work environment, professional advancement, and communication. High pay was shown to contribute to the organization's success. To reward employees for their efforts and achievements, businesses can provide them a variety of benefits, including profit sharing, stock ownership, or gain sharing (Smith & Rupp, 2004). As it enables employees to maintain a balance between work and family life, having a work-life balance has been proven to have an impact on keeping people. Employees have reported feeling less pressure, which has improved their performance at work. A work-life balance strategy in place has been demonstrated to boost company morale, act as a recruitment and retention tool for valued employees, foster loyalty and commitment, as well as lower absenteeism and improve performance and productivity (Johnson, 2004).

Moncarz et al. (2009) stated that employees who have had a favorable outcome from an atmosphere where there are flexible working hours have a sense of loyalty to the organization as well as having high degree of job satisfaction. In addition, having an organizational culture that aligns with the workforce makes them feel fulfilled and devoted to the firm. As a result, the company keeps its employees since they are content with their workplace (Sheridan, 1992). Companies that promote employees based on performance and encourage career advancement find that as employees attain their professional goals and are happy in their jobs, they are more likely to keep them on board.

Additionally, having a promotion policy in place encourages workers to put in extra effort and raise the bar on their work because they want to advance in their careers and develop (Moncarz et al. 2009). There won't be any misunderstandings if there is a good communication system in place that allows information to flow between managers and non-managers. Additionally, organizations that have open lines of communication and encourage employee participation in projects like hosting an event for young account holders will perform better since the best options are put forth and used (Smith & Rupp, 2004). Employers need to take efforts to prevent workers from leaving to find better jobs elsewhere.

b. The effect of employee retention on employees' performance

Employee Recognition and employees' performance

According to Gines (2013), recognition entails acknowledgment combined with an expression of gratitude. It is obvious that the primary and recurring cause of employee turnover is a lack of

appreciation (Meridith, 2015). Employees are driven to perform better when they are praised. Lack of recognition, on the other hand, has resulted in organizations losing disgruntled innovators, a reduction in effort, and even sabotage and espionage (Dutton, 2014). Surprisingly, recognition is sometimes regarded as a costly, non-essential process that provides little value to the firm (Milton, 2015). Companies must boost employee motivation, according to Gines (2013), by recognizing achievements that are aligned with the company's long-term goals as well as activities that produce immediate results. This is accomplished by presenting employees' achievements on the notice boards, issuing recognition certificates for exceptional performance, sending congratulating messages to employees for good performance etc.

Working Environment and employees' performance

The benefits of creating and maintaining a positive working environment are huge that enables greater productivity, happier people, employee stability, business advantage, higher profits, greater security, and better health (Robbins, 1997). Workplace environment is a concept which has been operated by analyzing the extent to which employees perceive the immediate surroundings as fulfilling their intrinsic, extrinsic and social needs and their reason of staying with the organization (Bateman & Snell, 2011). The working environment includes the physical, psychological and behavioral aspects.

The physical environment consists of elements that relate to the office occupiers' ability to physically connect with their office environment. The psychosocial factor refers to the interactions between the environment and working conditions, organizational conditions, functions and content of the work, workers individual characteristics and to those of members of their families.

The behavioral environment consists of components that relate to how well the office occupiers connect with each other, and the impact the office environment can have on the behavior of the individual. The quality of the physical workplace environment may also have a strong influence on a company's ability to recruit and retain talented people. People working under inconvenient conditions may end up with low performance and face occupational health diseases causing high absenteeism and turnover. The workplace's environment affects employee confidence, output and commitment both positively and negatively (Khan & Jabbar, 2013). Ensuring adequate facilities are provided to employees is critical to generating greater employee commitment and productivity. The provision of inadequate equipment and adverse working conditions has been shown to affect employee commitment and intention to stay with the organization (Weiss, 1999) as well as levels of job satisfaction and the perception of fairness of pay (Bockerman & Ilmakunnas, 2006)

Training opportunity and employees' performance

According to Taylor (2015), outstanding talent is required for businesses to achieve higher levels of innovation and success. Training allows people to learn and improve their knowledge and abilities, allowing for more successful development (Kabir, 2011). Employees find it difficult to be productive when they are unsure about what they are expected to do. Lack of training can dramatically reduce production because untrained employees get immobilized by fear (Jessop, 2016). Employees can gain self-assurance, advance their careers, and have good thoughts about their company by participating in these training sessions (Kabir, 2011). Organizations are finding it harder to hire the finest due to a shortage of particular skill sets. Smart businesses, on the other hand, use training and development to bring their existing and prospective staff up to speed.

Employees will not be able to reach their full potential without training, according to Hicks (2017). Employers can promote employee growth in a variety of methods, including individual coaching, workshops, courses, seminars, job shadowing or mentoring, or simply expanding their duties, according to him. Employees will gain extra abilities as a result of these possibilities, allowing them to increase their efficiency and output. Offering professional development opportunities demonstrates that you trust and believe in an employee's potential; as a result, they become more productive, knowledgeable, and satisfied (Perkins, 2014).

Providing Bonus and employees' performance

According to Investopedia (2016), a bonus is a form of supplemental remuneration given to an employee in addition to his or her regular income. A bonus can be given as a reward for meeting certain company goals or for showing loyalty to the firm. Bonus pay, according to Heath field (2016), is remuneration above and beyond the amount of pay defined as a base salary or hourly rate of pay. In the employment offer letter, the employee personnel file, or a contract, the base amount of salary is stated. Employers can distribute bonus pay at random as long as the company can afford to do so, or the bonus pay amount might be stated in the contract. According to Bardot (2014), a bonus is a payment that is backward-looking and usually discretionary or at the discretion of the employer or, at the very least, was not expected of the employee (s). A choice is taken to pay it to one, a group, or all employees, based on criteria established by management to reward prior successes, such as achieving a certain profit or meeting certain organizational milestones, or in a completely discretionary manner, but described as a forward-looking strategy. Payment is contingent on the fulfillment of specified objectives that have been set in advance and communicated to the plan's participants. The incentive scheme's goal is to affect behavior in order to achieve the objectives by providing an incentive to work

toward them. She went on to say that an incentive can be offered in cash or in non-monetary awards, such as gifts.

Employees Salary and employees' performance

Salary is a remuneration system that employees regard as fair and commensurate to their abilities and expectations. Employees are given a monetary incentive for their services, which is known as pay, and it is one of the most important stipulations in human resource management. According to high achievers, pay must be directly connected to performance. Employees that give their all seek fair pay that meets their demands.

They will feel valued if they are paid fairly. As a result, they want to be compensated in proportion to their efforts, as they do not want to go unpunished for their vices. Money is ranked first in terms of motivating employees because people need money to meet their basic needs; hence it drives employees more than any other incentive. (2009, Sara L. Rynes).

Different definitions of salaries and wages have been proposed, mainly to demonstrate the contrasts between the two concepts. Salary, according to Surbhi (2015), is a fixed amount provided to employees at regular intervals in exchange for their performance and productivity, whereas wages are an hourly payment given to labor for the quantity of work completed in a day. He went on to say that while salaried people are said to be doing "white collar office jobs," which implies that they are well educated, skilled, and employed with a company and hold a good position in society, waged people are said to be doing "blue collar labor jobs," which implies that they are engaged in manual labor.

Rewards and employees' performance

The structure of compensation is currently the most critical human resource management issue (Milkovich and Newman, 2008). According to Bowen (2002), a reward is something given or received in exchange for a success or accomplishment. Reward, according to Allen and Helms (2002), is a material or monetary statement of gratitude that is conditional on results. If employees are not driven to perform, they are more likely to be constrained (Sajuyigbe, Olaoye, and Adeyemi, 2013). Employees are more likely to be motivated to work when they see a strong link between their performance and the reward they receive, according to Mendonca (2002).

Employees are motivated to perform as expected when they are rewarded (Armstrong, 2007). Employee performance is critical to the success of any business. Furthermore, rewards employees have an essential influence in the performance and growth of a firm (Aguinis, 2012). Rewards are a key tool

for increasing employee motivation, and no company can achieve its goals and objectives without encouraging its people.

c. Empirical Review

This section presents evidence which identify the major the effect employees' retention strategies on employees' performance. Accordingly, the first subsection, presents studies which conducted in other countries and the second subsection discusses review studies made in Ethiopia.

2.4.1. Other Countries Studies

According to Zhang (2016), even in the other service sector, the performance of the employees in the hotels were influenced by numerous factors such as rewards and incentives, work pressure and hotel environment and potential for career growth in the hotel sector. A Considerable proportion of the participants including the employees and managers agreed that the rewards and incentives were driving factors behind the employees' performance

According to Mishra and Dixit (2013), financial and non-financial rewards and benefits are highly correlated with employee's performance in an education rewards system. Because of positive relationship of between rewards and performance also increase the job satisfaction of workers. Job satisfaction leads to success and feelings of achievement during the job. Also linked increase productivity, increase worker's efforts on job and leads to happiness enthusiasm, feeling of fulfillment and rewards promote happiness and job satisfaction.

According to Abdullah (2014) remuneration, creativity, training and development have a positive impact on employees' job performance in his study of factors that influence employee performance at the Fairmont norfolk hotel. In his study, the impact of remuneration on employee performance at the organization is positive. Furthermore, in regards to the impact of creativity on employee performance respondents have also agreed that the degree to which the organization embraces creativity has an impact on their performance. Finally, training and development also seen as the major driver of performance .However, he does not consider the other factors that have impact on employee's job performance such as individual skill, experience, motivational factors and the appraisal system

According to Ngowi (2014), the impact of salary increment, training, organizational culture, organizational structure and reward system on employee performance have been examined. In the study, he has found 72% of the respondents agreed that low salary and lack of training are challenges of employees' performance at Stanbic bank. However, organization structure, organization culture and

reward system are examined as they have positive impact on employees' performance and productivity at Stanbic Bank.

Ibrar, M., & Khan, O. (2015): aimed to know how to improve the employee performance has in reward system in private school. The study shows that there is a positive relationship between rewards (extrinsic and intrinsic) and employee's job performance. This study proves that employees' performance is correlated with reward system. This study agrees with Kikoito study in term of the impact of reward systems on organizational performance.

Gana, A. B., & Bababe, F. B. (2011) investigate the place of motivation on employees' performance in the Nigerian Banking Industry. The study shows that motivation has an impact on employees' performance. This study agrees with previous studies in term of the importance of incentives for increasing the employee's performance.

According to Hom et al. (2008), feelings of discontent might trigger thoughts of quitting. These ideas prompt workers to assess the advantages and disadvantages of resigning and looking for new employment. When job seekers discover potential alternatives, they evaluate them against their current position and choose to remain or quit. Available job alternatives may cause both a committed and an exploratory intent search before quitting, claim Knight and Leimer (2010). Exploratory job searching entails actions like reading job postings, learning about hiring procedures, creating and sending a resume, or other actions that could be viewed as exploring options, whereas committed job searching entails actions that suggest a commitment to leave, like getting in touch with former employers, coworkers, recruiters, or potential employers.

Kuotsai 1998 examined the relationship between detention workers' turnover intention and professional orientation. The findings of the study indicated that employee turnover intention was greater among female detention workers who expressed low levels of job securing and job satisfaction. The study also added to the list of previously reported determinants of voluntary turnover is that employees' turnover intention may be influenced by their professional orientation. In the case of detention workers, punishment orientation contributes significantly to their intention to leave their organization.

Mahdi et al, (2012) conducted research on the relationship between job satisfaction and turnover intention among the employees of local printing company in, Malaysia. They considered intrinsic job satisfaction and extrinsic, job satisfaction as independent variables whereas turnover intention as dependent variables.

A descriptive survey method was used with structured questionnaires, Reliability test, Correlation analysis, and supported by SPSS version 12.0. The results obtained in this study showed that both forms of job satisfaction (intrinsic and extrinsic satisfaction) have inverse relationship on employees' turnover intentions. Even though, intrinsic job satisfaction has stronger influence on turnover intention. Existence of extrinsic job satisfaction also must be considered in measuring the intention.

Park and Kim (2009) conducted a study 527 nurses working in two public hospitals in Korea. The study was conducted to find out the relationship among organizational culture, job satisfaction and turnover intention. The study indicated that among the different types of culture, consensual culture and rational culture had significant positive associations with the nurses' job satisfaction consensual culture exhibited negative impact on turnover intentions while hierarchical culture showed a positive impact on turnover intentions.

2.4.2. Empirical Studies in Ethiopia

Dejene (2020), examined the determinant factors affecting employees' job performance in Ethiopian higher education at Debrebrhan University. Data was gathered from the administrative offices of the university. The research is quantitative research approach using Cross sectional survey method. Descriptive and inferential statistics of correlation and regression analysis were used to analyze the empirical data. The results presented in Pearson Correlations understand that all except one of the independent variables which selected in this study have positive relationship with the employee job performance. Only working environment have negative relationship with the employee job performance. And it's found that the independent variables have a 60.5% influence on the dependent variable while the remaining 39.5% is influenced by factors which are not covered in this study. Hence, the motivational practice of the university, training and work environment are need of greater attention and to identify its effectiveness on employees' job performance.

Subrina (2020), assessed the effects of determinants factors (i.e. training motivation, leadership, organizational culture, and working environment) affecting employees' performance in manufacturing sector in the case of EPHARM. The researcher employed both descriptive and explanatory research design.

A simple random sampling was used. The Pearson correlation analysis result showed that there is a positive and statistically significant relationship between the determinant factors and employee performance. Organizational culture was found to be highly correlated to employee performance (0.449) followed by working environment (0.442), leadership (0.439), and motivation (0.307) and

training (0.150). The study showed that 29.3% variation on the employee performance was explained by the variability of the five determinants. The result also showed that organizational culture plays the most important predictor role on employee performance followed by working environment and leadership. The study concluded that organizational culture, working environment and leadership positively influenced employee performance at EPHARM and 29.3% variation on the employee performance was explained by the five determinants of employee performance.

According to Assefa (2016), in his study of commercial bank of Ethiopia on the impact of training at employees' performance, the finding of the study showed that Training on Employee has positive and significant effect on Performance. Respondents' response shows that the job instructions prepared by the organization are clear and easy to apply, and they believe also that they receive enough guidance from their peer and supervisors. Still, majority of the respondents acknowledged that their efficiency has improved after they took training. For that reason, 77.7 percent (219 out of 282) of the respondents affirmed that the training they got have been helping them to perform their Bank related activities quickly and efficiently. Moreover, according to Mulatu (2014), communication has a significant effect on the performance of employee on his study of the factors affecting employees' performance in EthioTelecom zonal offices. Based on his study, most of his respondents revealed that the ways and methods they communicate in their workplace enhanced their performance in the organization.

Belete AK (2018) conducted an empirical work review and focused on the relationship between job satisfaction, job stress, organizational culture, organizational commitment, salary, organizational justice, promotional opportunity, demographic variables, leadership styles and organizational climate. The study highlighted other factors also to be considered like perceived organizational support, perceived supervisor support, job autonomy, employees' benefits and training and development. The researcher also indicated that the influence of factors studied will be different for different types of organizations.

Wallelegn (2013) assessed the causes of professional employees' turnover at bank of Abyssinia. The study adopted a descriptive research design to identify the employee turnover causes. Both quantitative and qualitative methods were used to gather information through the utilization of a questionnaire and interviews. Their respondents were drawn from the existing and ex-employees of the bank. Seventy-four (74) and fifty-seven (57) questionnaires were issued to the current employees and ex-employees and thirty-eight (38) and thirty-one (31) were responded respectively. Descriptive statistical and qualitative analysis method were used for data analysis. The study revealed that the bank has not attractive salary and benefit package, the employee employer relationship was not good, there is job

security problem, the employee reward program was not competitive, the work place was unfavorable, employees were handled unfairly and irrespectively. All those factors influence most ex-employees to leave and increased the intention of existing employees to leave the bank.

EndalkachewTibebu (2015) conducted on “Factors of Employee Turnover Intention in MOHA Soft Drinks Industry S.C Teklehaimanot plant” , He identified that nature of the work/lack of job freedom & autonomy, lack of opportunity for promotion & development, unplanned future career /uncertainty of future career, uncomfortable working environment, lack of organizational commitment, least remuneration and availability of 41 alternative employment opportunity were contributed to the respondents’ intention to leave the company. However, one identified factor i.e. recognition was found to be unrelated to the respondents’ intention to leave the company. Concerning the respondents’ demographic characteristics result, the age category between 23-29- which is productive experienced intention to leave the company along with single and male respondents. Respondents with better educational background and less experience have also intent to leave the company which shows a clear turnover problem.

SelamAdenew (2015), conduct on “Assessment of Professional Employees Turnover and Retention Practice in Wegagen Bank S.C” and present the major findings from the analysis of both quantitative and qualitative data and founded that perceived better opportunity, salary and benefit packages, job satisfaction and leadership as main factors for turnover intention of professional employees in WB while, personal factors and working environment are not factor for professional employee's turnover intention in the bank.

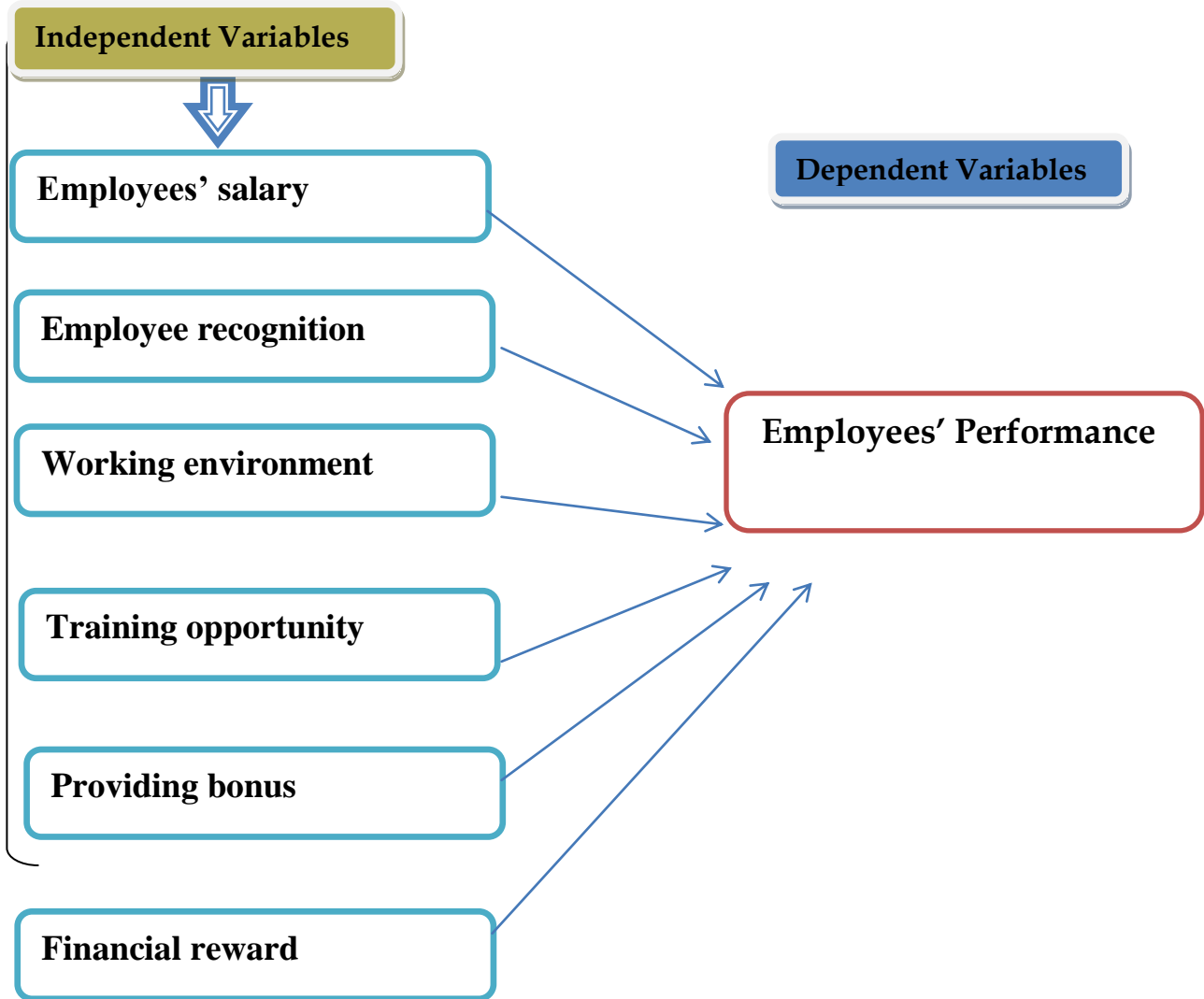
Tewfik Abdella (2015) studied on “Determinants of Turnover in terms of Intention to Leave on NIB Bank S.C”. It founded that the primary element that emerged from questionnaires show that 88% of the factors were caused by internal factor such as low salary, lack of job satisfaction, poor staff involvement in organization issues, poor management, poor working resources, lack of staff development policy, job stress, lack of promotion, poor participation on decision making issues, lack of job challenges all these are internal factors. According to the findings 12% of the mentioned factors are caused by external factors like availability of job in other organization and searching habit.

2.5. Conceptual framework

The following model demonstrates that if an organization has a compelling employee retention strategy, employees will be happy and stay, which will benefit and help the firm succeed. Employees that are happy with the retention strategies stay with the company for the longest possible time and are

more driven to contribute to its success. The performance of the organization is reliant on staff retention, according to the link between the independent and dependent variables. This shows that employees are more likely to stay with an organization and give their all to achieving organizational goals if a company formulates appropriate policies and strategies (independent variables) to retain its personnel that can offer job satisfaction.

Figure 2.1. The conceptual frame work or model of the study



Source: Researchers Own design (2023)

CHAPTER THREE

3. RESEARCH METHODOLOGY

This chapter presented the research methodology part of the study. The procedures and techniques used in collection, processing and analyzing of data also described. Particularly the study deals with research design, research approach, target population, sample size determination, sampling techniques, method of data collection procedures, data analysis techniques and ethical considerations.

3.1. Description of case area

Welkite (also transliterated Wolkite) is a city and separate woreda in south-western Ethiopia. The administrative center of the qebena of the Southern Nations, Nationalities and Peoples' Region (SNNPR), this city has a latitude and longitude of 8°17'N 37°47'E and an elevation between 1910 and 1935 meters above sea level. It is surrounded by qebena woreda. According to the qebena government, Welkite is one of 12 city with electrical power, one of 11 with telephone service and one of nine that have postal service. The SNNPR's Bureau of Finance and Economic Development, adds that as of 2003 Welkite also had a bank branch and other financial institutions, as well as a hospital. An all-weather road was built in 1963 which connects Welkite to Addis Ababa by way of Endibir. In wolkite city there are different commercial banks. Therefore, this study was conducted on the title of employees' retention strategies on employees' performance in Ethiopian commercial banks, Wolkite city.

a. Research design

As noted by Kothari (2004, page 33), a research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.” In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. The choice of research design depends on objectives that the researchers want to achieve (John, 2007). According to Saunders, Lewis, & Thornhill (2007) explanatory research design is that establish causal relationships between variables may be termed explanatory studies.

The reason to use explanatory research design is to show the relationship between the two variables (dependent and independent variables) on the study. Therefore, to arrive at an appropriate conclusion about the issue and to examine the effect of employee incentives on employees' performance, the researcher used explanatory research design. Beside for descriptive statics analysis (mean, frequency,

standard deviation and percentage), the research used descriptive research. Therefore, for this study both explanatory and descriptive research design was utilized.

3.3. Research approach

The study is emphasizing on the effect of employee incentives on employees' performance. According to Creswell (2009), there are three basic research approaches; these are quantitative, qualitative and mixed research approaches. A quantitative approach inference from tests of statistical hypotheses lead to general inferences about characteristics of a population and relies on the measurement and analysis of statistical data to produce quantifiable conclusions (Creswell, 2009). On the other hand, qualitative research approach is a means for exploring and understanding the meaning individuals or groups assign to a social or human problem with intent of developing a theory or pattern inductively (Creswell, 2009). The last one is mixed method approach in which the researchers emphasize the research problem and use all approaches available to understand the problem (Creswell, 2003). Accordingly, for the need of achieving the stated objective of this study, both quantitative and qualitative research approach were utilized to meet the overall objective of the study.

3.4. Data sources

The data that acquire to achieve this study may be collect from both primary and secondary sources. The primary data for the study were collect from employees of Commercial bank of Ethiopia, wolkite city via open ended and close ended questionnaires. Besides, secondary data may important to the study as a supporting evidence for primary data. To gather those secondary data, the researcher may review different journals, manuals and other published and unpublished materials.

3.5. Methods of data collection

For the purpose of this study, both a close-ended and open-ended questionnaire was used as the measuring instrument. This questionnaire was developed by the researcher and test all reliability and validity test to measure the appropriateness of the questionnaires. The close-ended questionnaire were administered to selected employees of the organization and questionnaire was be basically selected over other instruments, since they are less costly and less time consuming than other measuring instruments as well as the open-ended questions was used give more freedom for respondents to express their view on the issue of the study. The approach that has used in collecting the data is direct method. This were decided in addition to interview and document review, upon due to the fact that it reduces the rate of non- response rate which often associates with surveys of this nature. Data collectors were trained for the purpose of administering the questionnaire to the respondents. Plus, secondary source like published and unpublished documents were used as evidence for the study.

3.6. Sampling Design

The target population of this study was all permanent employees Commercial bank of Ethiopia, Wolkite city. The sample size was determined based on Yamane's (1967) sample size determination formula (Equation 1). Confidence level at 95% with degree of variability = 0.5 and level of precision (e) = 5% (0.05) is employed in the formula.

$$n = \frac{N}{1+N(e)^2} \text{-----}1$$

Where, N is the total employees of Commercial bank of Ethiopia, Wolkite city, n are the desired sample size, and e is the precision level. According to head office information, the total permanent employees of commercial bank, in Wolkite city are 1250 employees.

$$n = \frac{1250}{1 + 1250 (0.05)^2} \approx 303$$

Therefore, samples of 303 respondents were selected to participate in the study and those respondents' response was considered in the analysis.

3.7. Sampling technique

Polit&Hungler (1995) states that sampling is a process of selecting a sub-section of a population that represents the entire population in order to obtain information regarding the phenomenon of interest. After determining the numbers of sample, a random sampling technique was applied to select the sample from the population. This method is appropriate when the sample size is relatively large and to give equal chance for each sample frame as it noted by (Kothari, 2014). Since the respondents are relatively large and concern all employees, random sampling technique is appropriate. Therefore, all permanent employees were ordered in alphabetically and then each sample was selected randomly.

3.8. Data collection tools

The primary data were collected by using questionnaire with both open ended and close ended questionnaires from permanent employees of the institution. Open ended questions may help respondent to express their idea on the issue and close ended provide actualize questions to the respondent. Closed ended questionnaires' was Likert scale form, it is a five point scale which is used to allow the individual to express how much they agree or disagree with a particular statement. Likert scale provides five possible answers to a statement or question that allows respondents to indicate their positive-to-negative strength of agreement or strength of feeling regarding the question or statement. The researcher may primarily focus on this method of data collection because it is preferable to answer the basic research questions. In addition to those primary data, the researcher may collect secondary data

that used to support the primary source. Secondary data collection tools were include assessing the institution’s annual report, regulations, magazines, articles and others relevant published and unpublished documents.

3.9. Methods of data analysis

Using quantitative methods of analysis, the acquired data was evaluated, interpreted, and discussed. The collected data was double-checked for accuracy before being used to display the demographic response distribution. The dependent and independent factors under discussion were analyzed using correlation analysis, and regression analysis has performed to indicate the impact of the independent variables on the dependent variable.

To process the data, the researchers used SPSS version 25 software and descriptive statistics including mean and standard deviation. Different statistical techniques, such as graphs, tables, and charts, were used to present the data.

3.10. Specification of Econometric model

To examine the effect of employees’ retention in Commercial bank, Wolkitecity wnanlyzed by using the multiple regression model.

$$Y = a + \beta_1 EpSa + \beta_2 EpB + \beta_3 FIR + \beta_4 TrO + \beta_5 EmR + \beta_6 WoE$$

Y= the value of dependent variable in case of this research Y is employees’ performance and a= (alpha) is the constant or intercept.

β_1 =the slope (beta coefficient) for EpSa and **EpCSa** = is the first independent variable that is Employees’ salary. β_2 =is the slope (beta coefficient) for **EpB** and it is the second independent variable i.e. bonus. β_3 =the slope (beta coefficient) for **FiR**and itis the third independent variable that is Financial Reward, β_4 = is the slope (beta coefficient) for **TrO**and it refers to the fourth independent variable t,e, training opportunities. β_5 is the slope (beta coefficient) for **EmR**anditis stands for Employees recognition. . β_6 is the slope (beta coefficient) for **WoE** anditis stands for working environment. For accurately determine the effect of independent variables on dependent variable by using the above multiple regulations formulas the fowling classical linear regression model assumption were considered.

- Variables must be normally distributed (normality)
- There must be a linear relationship between the independent and dependent variables (linearity)
- Variables must be measured without error (reliability)
- The variance of errors must be the same across all levels of independent variable (homoscedasticity)

An alpha level of 0.05 applied as the level of significance for this study. After analysis, the researcher presents the data in tables and statement form and finally tried to draw important conclusion based on the analysis information and give some useful recommendations that might use for the organizations.

3.11. Ethical issues, Validity and Reliability

3.11.1. Reliability

For this study, in order to determine the reliability of the questionnaire in the study, over all Cronbach alpha was computed for the entire questionnaire. Cronbach’s alpha is a coefficient of reliability used to measure the internal consistency of the scale; it represented as a number between 0 and 1. Scales with coefficient alpha between 0.6 and 0.7 indicate fair reliability a Cronbach’s alpha score of 0.70 or higher are considered as adequate to determine reliability (Zikmund et al., 2010). The result of the Cronbach’s alpha for this study’s instrument was found to be in the acceptance range i.e. >0.70 which is 0.748. Thus showing as an indication of the acceptability of the scale for further analysis and it is shown in Table 3.1 below.

Table 3.1. Reliability Statistics

Variable description	Overall Cronbach's Alpha	N of Items
Training opportunity	0.736	5
Employees recognition	0.703	7
Employees salary	0.784	7
Level of bonus	0.779	6
Financial reward	0.737	5
Working Environment	0.748	6
Overall	0.748	36

Source: Own survey, 2023

3.11.2. Validity

Validity is defined as the extent to which the instrument measures what it purports to measure Miller N. D. (2000). There for to make sure the validity of research instrument, the questionnaires was adapted from previous researchers. Plus the questionnaire evaluated by the academic advisor prior to data collection so as to maintain its validity and to increase the accuracy and usefulness of the findings.

3.11.3. Ethical considerations

In every element of this investigation that requires it, the researcher emphasized with ethical problems. The participants were chosen based on their willingness to participate/free choice. Furthermore, when the questionnaire is distributed, respondents are informed and assured that the information they provided would be kept private and utilized solely for academic purposes. In addition, a statement employed that complied with the questionnaire's limitation on sharing personal information or references. This helps to avoid any skewed responses or data provided by respondents, as well as making participants feel safe while completing out the survey. As a result, the information gathered kept private and not be utilized for any personal gain. In general, the study's entire process carried out within a reasonable time span.

CHAPTER FOUR

4. DATA ANALYSIS, DISCUSSION AND INTERPRETATION

4.0. Introduction

This chapter presents the analysis, discussion and inferences made on the basis of the responses obtained from the respondents. Statistical methods of analysis were used which included a descriptive and inferential analysis. So as to analysis the demographic profiles of the respondent, the researcher used percentage and frequency by using tables. And in order to analysis response obtained from close ended questionnaires, the researcher used descriptive method (mean and standard deviation) and inferential analysis (multiple regression model and Pearson correlations) by using software SPSS version 25.0.

4.1. Descriptive Analysis

4.1.0. Response rate

In order to satisfy the specific objective of the study, the researcher distributed 308 questionnaires which is little greater than the sample size. This is for the sake of considering defective questionnaires and to collect all sample size. From the total distributed questionnaires, four (4) of them were not fully and correctly answered and one (1) of them were not turned back. Accordingly, 303 questionnaires' were filled, valid and returned to the researcher. And so, the data presentation and analysis is made based on the response of 303by using Statistical Package for the Social Sciences (SPSS) version 20. The response rate of the study questionnaires' are presented as follow.

Table 4.0.Response rate

	Totals in Number	Percentage (%)
Total distributed	308	100%
Questionnaire defected	5	1.16%
Questionnaire Collected	303	98.37%

Source: Own survey (2023)

4.1.1. Demographic Profile of Respondents

This section summarizes the demographic characteristics of the sample, which includes gender of the respondent, age, education level, work experience. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the proportion of males and females in the sample, range of age and education level, so that the analysis could be more meaningful for readers.

Table4.1: Respondent’s Profile

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	193	63.7	63.7	63.7
	Female	110	36.3	36.3	100.0
	Total	303	100.0	100.0	
Age	18-25	60	19.8	19.8	19.8
	26-30	152	50.0	50.0	69.8
	31-35	77	25.6	25.6	95.4
	Above 35	14	4.6	4.6	100.0
	Total	303	100.0	100.0	
Marital status	Single	98	32.4	32.4	32.4
	Divorced	44	14.5	14.5	46.9
	Married	161	53.1	53.1	100.0
	Total	303	100.0	100.0	
Education status	Diploma	23	7.6	7.6	7.6
	First degree	185	61.0	61.0	68.6
	Masters and above	95	31.4	31.4	100

Source: Own survey (2023)

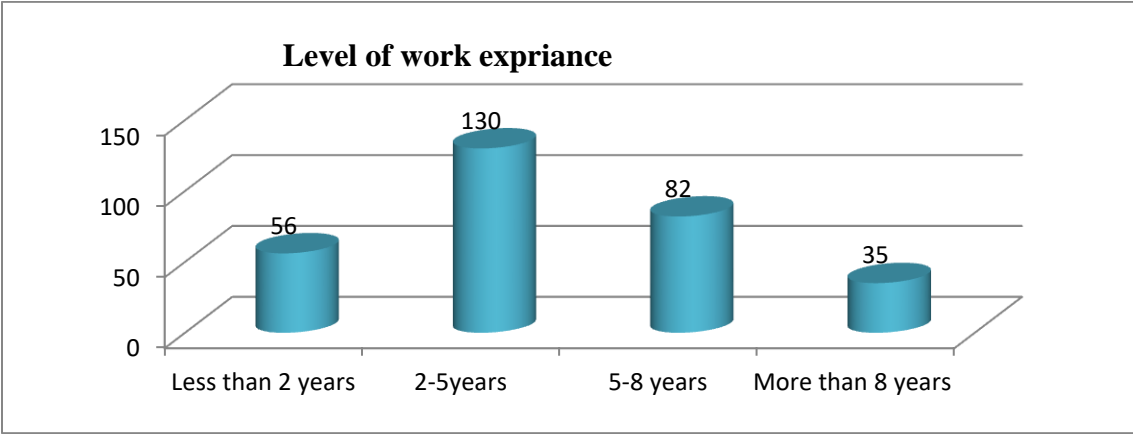
From the data presented in table 4.2, 193 (63.7%) of employees are males and 110 (36.3%) are females. This implies that there are large numbers of male employees in Ethiopian commercial bank, Wolkite city. This also may indicate that the researcher has collected the data in fair distributed manner without any biases between males and females.

from the total number of respondents 60 (19.8%) are found between 18-25 age level, 152 (50.0%) found between 26-30 age level, 77 (25.6%) found between 31-35 and 14(4.6%) found above 35 age level. This implies that, there are a high number of respondents are found in the age level of 26-30. This condition is good for the organization success because, most of the employees are found in productive age level and they may be effective and well efficient in their job assigned. pertains that 98 (32.4%) of the respondents are single, 44 (14.5%) of the respondents are divorced and lastly 161 (53.1%) of the employees are married. Accordingly, the majorities of the respondents are married and single respectively. from the total number of respondents, 23 (7.6%) are respondents those are Diploma degree holders. Finally, 185 (61.0%) respondents are first degree holders and 95 (31.4%) of the respondents are masters and above degree holders. This implies that the majority of employees in Ethiopian commercial banks are first degree and master degree holder respectively.

4.1.1.2. Level of work experience

The figure 4.1 presents the educational level of employees in Ethiopian commercial banks. From total respondents, 56 (18.48%) employees have less than two year working experience. Besides, 130 (42.9%) of the employees have between 2-5 year working experience in the corporation. Whereas, 82 (27.1%) of the employees have between 5-8 year working experience in the corporation and lastly 35 (11.55%) are eight year experienced employees.

Fig. 4.1.Level of work experience



Source: Own survey (2023)

4.2. Correlation Analysis

The primary objective of correlation analysis is to measure the strength or degree of linear association between two variables. The correlation coefficient measures this strength of (linear) association. It is a

measure of linear association or linear dependence only; it has no meaning for describing nonlinear relations (Guajarti, 2004). To determine the effect of employees' retention strategies on employees' performance, partial correlation analysis was computed. Partial correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Damatteo, & Festinger, 2005).

Table 4.2. Correlational Analysis

Variables	Employees performance	Training opportunity	Employees recognition	Employee s salary	Level of bonus	Financial reward	Working Environment
Employees performance	1.000						
Training opportunity	0.589	1.000					
Employees recognition	0.711	0.148	1.000				
Employees salary	0.829	0.777	0.191	1.000			
Level of bonus	0.693	0.621	0.164	0.600	1.000		
Financial reward	0.732	0.712	0.709	0.689	0.732	1.00	
Working Environment	0.674	0.456	0.498	0.612	0.634	0.588	1.00

Source: Own survey (2023)

4.3. Test of Classical linear regression assumptions

4.3.1. Multicollinearity test

The researcher has checked the multicollinearity test with the assumption of tolerance and VIF statistics. Multicollinearity occurs when the independent variables are too highly correlated with each other or multicollinearity exists when there is a strong correlation between two or more predictors in the regression model. Multicollinearity poses a problem only for multiple regressions because it involves

more than two predictors. Perfect co linearity exists when at least one predictor is a perfect linear combination of the other.

Table 4. 3. Coefficients ^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Employees performance	0.986	1.014
2	Training opportunity	0.894	1.118
3	Employees recognition	0.982	1.018
4	Employees salary	0.942	1.062
5	Level of bonus	0.932	1.073
6	Financial reward	0.958	1.044
7	Working Environment	0.879	1.046

a. Dependent Variable: Employees' performance

Source: Own survey (2023)

Guajarti (2004) satiated that linearity occurs when there is little or no multicollinearity in the data. As Andy (2006) cited in suggests that a tolerance value less than 0.1 almost certainly indicates a serious Co linearity problem and he also suggests that if VIF value greater than 10 there is multicollinearity problem in the study. However, for this study there is no any multicollinearity problem because for concern and in these research data, the VIF values are below 10 for all predictors and level of tolerance is greater than 0.1. Therefore, each independent variable with dependent is not modified by other extraneous variable.

4.3.2. Test for Autocorrelation

The autocorrelation assumptions, which imply zero covariance of error factors over time, were also evaluated by the researcher. This indicates that mistakes connected to one observation are unrelated to errors connected to any other observation. The Durbin Watson test, according to Gujarati (2004), is the most well-known test for identifying serial correlation. Therefore, it is presumed that there is no autocorrelation problem if the computed value of D in applications is closest to 2 (i.e., if 1.5 and 2.5). Based on this, the researcher used the Durbin Watson test as shown below to test the autocorrelation hypotheses. The result is 1.930, which is within the range of 1.5 and 2.5 and very close to 2. This is good indication for absence of autocorrelation problems in the study.

Table 4. 4, Test for Autocorrelation

Mode	Std. Error of the Estimate	Durbin-Watson
1	0.341	1.930

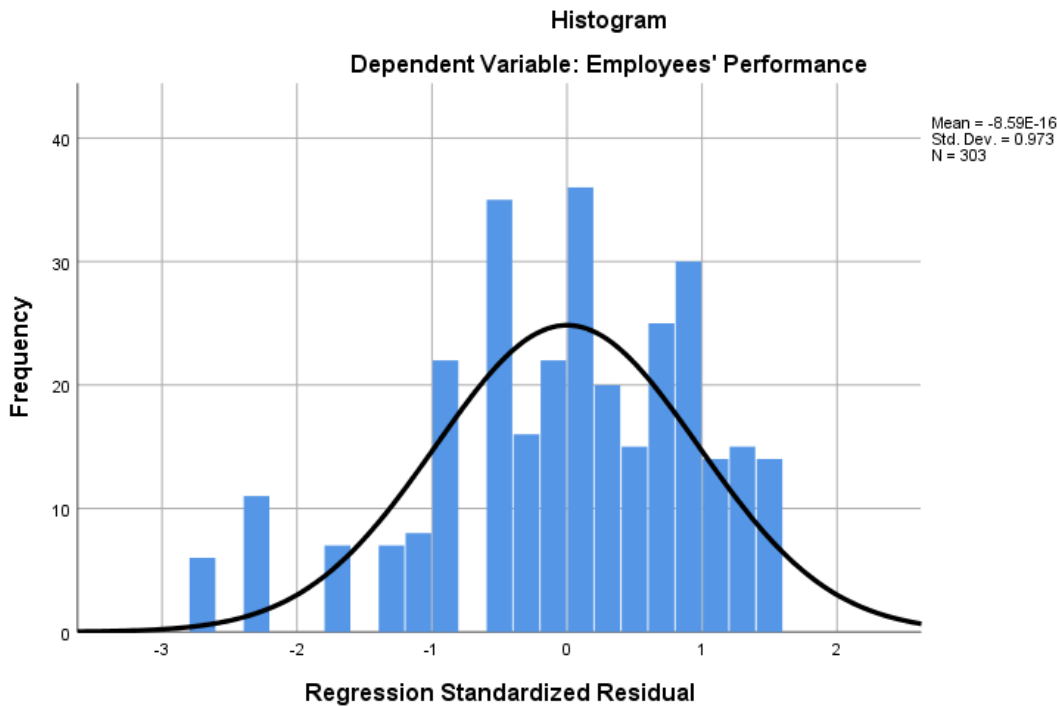
Source: Own survey (2023)

4.3.3. Normality test

A very important assumption in regression analysis is also that the dependent variable should be tested for normal distribution. Normality is used to describe a symmetrical, bell-shaped curve, which has the greatest frequency of scores around in the middle combined with smaller frequencies towards the extremes Pallent (2005). The dependent variable in this case is nonperforming loan.

If the dependent variable is not normally distributed, there is little point in performing regression analysis because a major assumption of the model is violated. Therefore, normality test computed for the dependent variable in this case in figure 4.1 histogram shows a normal distribution.

Fig. 4.2. Normality Test

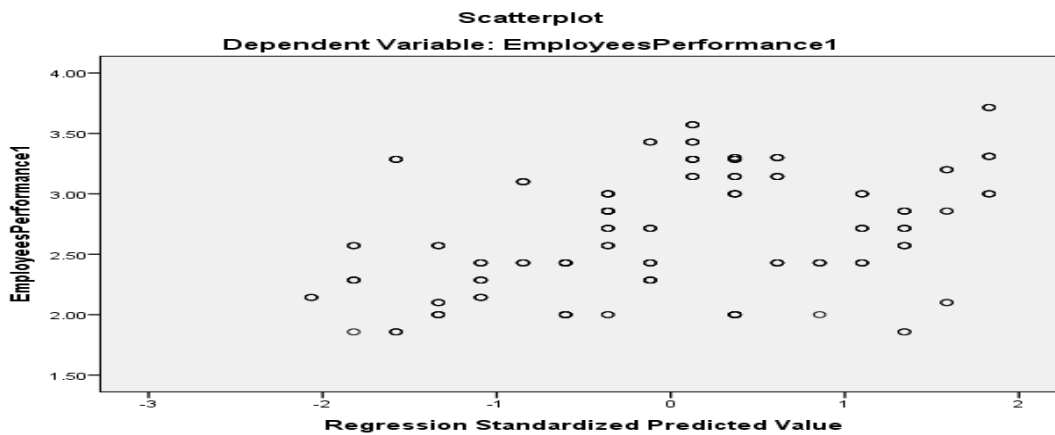


Source: Own survey 2023

4.3.4. Test for Heteroscedasticity

One of the important assumptions of the classical linear regression model is that the variance of each disturbance term u_i , conditional on the chosen values of the explanatory variables, is some constant number equal to σ^2 i.e. the variance of the errors to be constant. The assumption of Homoscedasticity was assessed by the plot of standardized residuals against standardized predicted values according to the recommendations of Field (2005). According to figure 4.2 it can be assured that the points are random and evenly throughout the scattered diagram and so there is no heteroscedasticity problem in the study.

Fig 4.3. Test for homoscedasticity assumption with scatter plot



Source: Own survey (2023)

4.4. Regression result and discussion

Regression analysis is a statistical analysis technique used to establish the linear relationship between a single dependent variable and two or more independent variables and to test the proposed hypotheses (Cooper & Schindler, 2006). From model summary the adjusted R-square value is used since this is a multiple regression model and explains what percentage of the variance in the dependent variable is explained by the explanatory variables. From coefficients the output the individual slope coefficients were tested for its significant (ibid).

4.4.1. Regression model summary

On the following model summary, R2 values indicate the explanatory power of the model and in this study adjusted R2 value which takes into account the loss of degrees of freedom associated with adding extra variables were inferred to see the explanatory powers of the models. Therefore, on the following table we try to see adjusted R-square of the study.

Table 4.5. Regression model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.924 ^a	0.855	0.852	1.44862
a. Predictors: (Constant), Training opportunity, employees recognition, employees salary, level of bonus, financial reward, working environment				

Source: Own survey (2023)

In this work, adjusted R² values that account for the reduction in degrees of freedom brought on by the addition of additional variables were inferred to measure the explanatory power of the models. Let's attempt to see R-square and adjusted R-square first. As per the results on table 4.5, model 1 has a R² value of 0.855, meaning that 85.5 % of the variation in the dependent variable is explained by the independent variables which are included in the model while the remaining 14.5% is explained by other variables outside the model. This indicated that the model that the researcher used is fitted.

4.4.2. ANOVA Analysis

The ANOVA table displays the model's overall statistical significance and acceptance. Due to F statistics' has significant value (280.024) and its p value (000), which is less than 0.05 (p 0.05), the model has importance to see the effect of employees' retention strategies on employees' performance. In order to explain the variation in the dependent variable (employees' performance), the independent variables (like: Training opportunity, employees' recognition, employees' salary, level of bonus, financial reward, working environment) were examined.

Table 4.6. ANOVA Analysis

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2378.489	4	594.622	280.024	.000 ^b
	Residual	397.089	187	2.123		
	Total	2775.578	191			
a. Dependent Variable: Employees' Performance						
b. Predictors: (Constant): Training opportunity, employees recognition, employees salary, level of bonus, financial reward						

Source: Own survey (2023)

4.5.3. Regression Coefficients.

In this study, multiple regression analysis was carried out to get the predictive values of the constructs considered. Since the model is developed in such a way that each construct is being affected by other constructs, it is necessary to carry out regression analysis against the effect of employees retention strategies on employees’ performance. From the following regression outputs the beta coefficients may be negative or positive; the beta indicates that each variable’s level of influence on the dependent variable. P-value indicates at what percentage or precession level of each variable is significant.

Table 4.7. Regression Coefficients.

Coefficients ^a						
Model		Un standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.138	0.841		3.732	0.000
2	Training opportunity	0.344	0.047	0.317	7.337	0.032
3	Employees recognition	0.013	0.029	0.164	4.790	0.000
4	Employees salary	0.067	0.027	0.067	2.477	0.014
5	Level of bonus	0.551	0.043	0.551	12.722	0.000
6	Financial reward	0.155	0.031	0.182	4.998	0.025
7	Working Environment	0.045	0.083	0.354	9.890	0.000
a. Dependent Variable: Employees Performance						

Source: Own survey (2022)

4.6. Discussion on Regressions Result

According to regression result, we can understand that training opportunity has positive and significant effect on employees’ performance at 1% significant level, in the case of commercial bank of Wolkite City. The beta coefficient of training opportunities tells that a 1% change in training opportunity will lead to an increase employees’ performance by 34.4 %. This positive impact of training opportunity is in line with the research hypothesis and the finding of Guest (1997). On his finding, he argued that different training and development programs is one of the vital human resource management for the quality of the workers knowledge, skills and capability and thus results in higher employee

performance on job. Secondly, employees' recognition in commercial bank of Ethiopia can positively affect employees' performance. This result also accords with this study hypothesis and the finding of Milton (2013) it is a powerful incentive to motivate employees. Besides monetary incentive, there are some other stimuli which include job satisfaction, job security, job promotion, and pride for accomplishment.

Another determinant of employees' performance is employees' salary. It has positive and significant effect on employees' performance at 5 percent significance level. The coefficient shows that 1% increase in employees' salary will lead to 6.7% increase in employees' performance. According to the finding of Surbhi (2015), an employee who is paid high salary is more motivated than employees who paid low level of employees. On the same fashion, level of bonus can positively and significantly affect employees' performance. The above regression model coefficient table reports the coefficients for bonus benefit recognition promotion and carrier working condition and training and opportunity help improving employee motivation significantly. This finding is supported by different authors. The findings are consistent with those of Ngwa et al (2019), who discovered that there is a positive and significant relationship between rewards system and employee performance in the organization in their study of the effect of reward system on employees' performance among selected manufacturing firms. Finally, this study regression model shows that there is positive and significant at 1% significance level.

On the last, working environment has significant effect on employee's performance. The benefits of creating and maintaining a positive working environment are huge that enables greater productivity, happier people, employee stability, business advantage, higher profits, greater security, and better health (Robbins, 1997). Therefore, the working environment of employees in the organization is suitable/safe/ to work.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The study was aimed to investigate the effect of employees' retention strategies on employees' performance in Ethiopian commercial banks, Wolkite city. Throughout this study, the researcher had investigated the effect of six determinants (Training opportunity, employees' recognition, and employees' salary, level of bonus, financial reward and working environment). This study has applied multiple regression model to see the relationship dependent and independent variables. According to the regression result, all six independent variables can increase the employees' performance in commercial banks.

The majority employees of Ethiopian commercial banks are males. In addition to that, there are a high number of customers are found in the age level of 18-30 they are married and single respectively. And also, the majority of employees in the corporation are first degree and master degree holders respectively. According to the partial correlation result, the relation coefficients between two independent variables are less than 50% and this implies that there is no significant relationship between independent variables. For this study there is no any multicollinearity problem because for concern and in these research data, the VIF values are below 10 for all predictors and level of tolerance is greater than 0.1.

Based on adjusted R square of the study, the variables which incorporated in the model can explain the utilized model because the model and this model adequately fit the data at 5% significant level. According to normality test, computed for the dependent variable in the study shows a normal distribution. For this study, Durbin Watson test as it presented below and the result is 1.90 which is between 1.5 and 2.5. For this study it can be assured that the points are random and evenly throughout the scattered diagram and so there is no heteroscedasticity problem in the study. This study has adjusted R² value of 0.855 meaning that 85.55% of the variation in the dependent variable is explained by independent variable excluded in the model. While the remaining 14.45% is explained by other variables excluded from the model (it goes to the error term).

According to multiple regression model of the study, six determinant variables (Training opportunity, employees' recognition, employees' salary, level of bonus, financial reward and working environment) has significant positive effect on employees performance.

5.2. Recommendation

Based on the findings of the study, the following possible recommendations are forwarded by the researcher to for Ethiopian commercial banks:

- ☞ According to this study finding, staff training and development opportunity can significantly affect employees' performance. Therefore, Ethiopian commercial banks should give attention on its employee's development. Because training and development programs assist employees in managing duties either alone or in teams through a better understanding of processes and clearly stated goals.
- ☞ The organization better to develop good incentive schemes to employees. Incentive schemes also play an important role in increasing the performance of employees. As human beings we always look for incentives either consciously or subconsciously. Every individual or team wants its work to be appreciated, recognized and rewarded. On getting the same it increases the motivation and enthusiasm resulting in a better performance. Besides, the top management bodies should create positive working environment since it is important to enhance employees' productivity via avoiding unnecessary stress which affecting their work performances.
- ☞ The management needs to develop rightful reward practice that includes a mix of both intrinsic and extrinsic reward. When applied to an employee, the reward type would have a different impact on performance. As a result, managers will need to proactively identify rewards that contribute to good employee performance. Although bonus payments are significant, they are not the most significant aspect in motivating employees. Other crucial aspects that could improve employee performance include commission and stock ownership, depending on the nature of the job and the person's position.
- ☞ The organization better to have effective employees' retention strategies and must go far with de motivated employees. If employees are not doing their best to the company and they don't consider that the company as the best of all possible organizations for which to work, implies employees losing motivation and commitment to the work and the company.
- ☞ Ethiopian commercial bank better to consider their working experience and length of serving times on providing benefits to its employees. In other word, an employee who serves a company for long period of time should get high compensation than new comer. Besides, it would be better harmonizing the relationship with organization.

5.4. Suggestions for further research

This research was conducted on the effect of employees' retention strategies on employees' performance, in case of commercial bank. There are others important determinants of employees' performance which are not studied on this study. Thus, further studies can be conducted on the effect of (Recognition, reward, working environment, and bonus, other financial and promotional factors) on employees' performance in the context of other private and public sectors.

Reference

- Allen, D.G., Shore, L.M. and Griffeth, R.W. (2003). *The Role of Perceived Organizational Support and Supportive Human Resource Practices in Turnover Process*. *Journal of Management*, 29, 99-118.
- AsmamawArgeta, (2011). *Professional Employee Turnover and Retention Practice of Ethiopian Public Sector Organization of Ministry of Finance and Economic and Devolvement (MoFED)*, (Masters Dissertation). Addis Ababa University College of Management Information and Economic sciences, Addis Ababa, Ethiopia
- Belete AK (2018). *Turnover Intention In uencing Factors of Employees: An Empirical Work Review*. *Journal of Entrepreneurship & Organization Management* 7(3): 253-26
- BerukWallelegn (2013). *Assessment Of Professional Employees Turnover Causes At Bank Of Abyssinia*. Unpublished Thesis submitted to St. Mary's University College, Addis Ababa
- Eddleston, K.A. (2009), „The effects of social comparisons on managerial career satisfaction and turnover intentions”, *Career Development International*, Vol 14, No 1, pp 887-110.
- EndalkachewTibebu, 2015, *Factors of Employee Turnover Intention in MOHA Soft Drinks Industry S.C Teklehaimanot plant*. (Masters Dissertation). Addis Ababa University College of Management Information and Economic sciences, Addis Ababa, Ethiopia
- Eisenberger, R., Huntington, R., Hutchison, S. & Sowa, D. (1986), „Perceived organizational support”, *Journal of Applied Psychology*, Vol 71, pp 500-507
- Hedwinga, A. (2012) *Causes of Employee Turnover in Micro finance Institutions in Tanzania: The Case Study of Presidential Trust Fund*. Unpublished Material
- Holtom, B.C.; Mitchell, T.R.; Lee, T.W.; Eberly, M.B. 5 *Turnover and Retention Research: A Glance at the Past, a Closer Review of the Present, and a Venture into the Future*. *Acad. Manag. Ann.* 2008, 2, 231–274.
- Khatri, N., & Fern, C. T. 2001. 'Explaining employee turnover in an Asian context", *Human Resource Management Journal*, 11(1):54-74
- Knudsen, H.K., Ducharme, L.J. and Roman, P.M. (2009) *Turnover intention and emotional exhaustion "at the top": Adapting the job demands-resources model to leaders of addiction treatment organizations*. *Journal of Occupational Health Psychology*.14 (1). pp. 84-95.

- *Ma, S. and Trigo, V., (2008) Winning the War for Managerial Talent in China: An Empirical Study in Chinese Economy.41 (3). pp. 34-57.*
- *Price, J.L. (2001). Reflections on the Determinants of Voluntary Turnover. International Journal of Manpower, 22(7), 660-624.*
- *Major, B. &Konar, E. (1984), „An investigation of sex differences in pay expectations and their possible causes“, Academy of Management Journal, Vol 27, pp 777-792.*
- *SelamAdenew, 2015, Assessment of Professional Employees Turnover and Retention Practice in Wegagen Bank S.C. (Masters Dissertation). Addis Ababa University College of Management Information and Economic sciences, Addis Ababa, Ethiopia*
- *Tewfik Abdella, 2015, Determinants of Turnover in terms of Intention to Leave on NIB Bank S.C. (Masters Dissertation). Addis Ababa University College of Management Information and Economic sciences, Addis Ababa, Ethiopia*
- *Tett, R. and Meyer, J. (1993). Job Satisfaction, Organizational Commitment, Turnover Intention and Turnover Path Analyses Based on Meta-Analytic Findings. Personnel Psychology, Vol.46, pp. 259-93.*
- *Udechukwu, I.K. &Mujtaba, B.G. (2007), „Determining the probability that an employee will stay or leave the organization: A mathematical and theoretical model for organizations“, Human Resource Development Review. Vol 6, No 2, pp 164-184*
- *Zhang, M.; Fried, D.D.; Griffeth, R.W. A review of job embeddedness: Conceptual, measurement issues, and directions for future research. Hum. Resour. Manag. Rev. 2012, 22, 220–231.*
- *Zuber, A. 2001. 'A career in food service cons: high turnover', Nation''s Restaurant News, 35 (21), pp.147-148.*

Appendix

**WOLKITE UNIVERSITY
SCHOOL OF POSTGRADUATE STUDIES**

DEPARTMENT OF BUSINESS ADMINISTRATION
MASTERS OF BUSINESS ADMINISTRATION PROGRAM

Questionnaire designed for employee

Dear respondents:

First and foremost, I would like to thank you in advance for giving your opinion and suggestions regarding the survey questionnaires. The purpose of this questionnaire is to collect data that are related to *“The effect of employees’ retention strategies employees’ performance (in the case of Commercial bank, Wolkite city)”*. The data collected will be applied for the study leading to master’s thesis requirements in business administration at Wolkite University. The information you provide in this questionnaire will be kept confidential and utilized only for the purpose of doing this academic thesis. Your genuine response is highly valuable for the achievement of the objective of this study. Thank you for your cooperation in filling this questionnaire.

For further information and comments please contact on

Mob. Phone: +251921813933

Instruction:

- ✓ Do not write your name
- ✓ Put a tick mark in the space provided in the box (√)

Part I: General information / demographic data/ of the respondent

1. Gender

1. Male 2. Female

2. Age

18-25 years 31-35years

26-30 years 2 above 35 years

3. Marital status : Single Divorce Married

4. Educational level

Diploma

First degree

Masters and above

5. For how many years do you serve your institution?

Less than 2 years 3-5years 5-8 years more than 8 years

Part II: Please indicate the extent of your agreement or disagreement with each statement by making (✓) in the box corresponding to a number ranging 5 to 1 that represents your level of agreement or disagreement. 5=Strongly Agree 4= Agree 3= Neutral 2= Disagree 1= Strongly Disagree

No.	Employees' Performance	1	2	3	4	5
	I believe that I am part of productive employees in my organization					
	I will probably look for a new job in the next year					
	As soon as possible, I will leave the organization					
	I have good communication skill with customers					
	I am familiar with the overall bank's shared values and beliefs					
	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 am committed to get early at work					
	I am committed to the vision, mission and goals of the					
A.	Working environment					
	Office facilities and resources are adequate to do the job effectively					
	The physical surrounding is comfortable and convenient to perform the job					
	The bank provides flexible working hours					
	There is a shared value of cooperation among employees					
	There is good communication among employees and managers					
	The bank procedure and manuals are attractive to perform day today duties					
	The Working environment is safe					
B.	Providing bonus					
	Bonus for employees can enhance their performance in the organization					
	Our company uses non-monetary rewards like recognition, inclusive decision-making and flexible working hours to motivate us					
	It is important to me to be formally recognized by management/supervisor for a job well done					
	It is important to me to be recognized by my peers and co-workers for a job well done					
	The company payment is based on the level of employees work					
C.	Training opportunity					
	Training objectives are inclined to organizational objectives					
	Employees participate in identifying their training needs					
	Training agendas are informed before training date					
	The company conducts training evaluation					
	The training materials and method are capable enough to grasp training					

	objectives					
	The training place and time is suitable to grasp the training agendas					
	The training given matches to the job assigned					
D.	Reward to employees					
	Do you think the bank provide reward to the employees					
	The level of reward provided by the bank is enough					
	There is clear and well defined reward structure to the organization					
	The reward which given by the bank make us motive to our work					
	I have ever been received reward from the bank on my job					
F.	Level of salary					
	Company provides all the benefit. Do you agree with this it?					
	The salary structure is perfect in this Ethiopian telecommunication corporation.					
	My companies provide proper training and promotion to all its employees					
	Bonus and other payments are paid based on the level of work load					
	My salary is enough to my day to day expense and save					