



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**EFFECT OF MOTIVATIONAL PRACTICES ON EMPLOYEE
RETENTION: THE CASE OF COMMERCIAL BANK OF ETHIOPIA,
ADDIS ABABA, KOLFE KERANIYO DISTRICT.**

By

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JAN, 2024

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED IN PARTIAL FULLFILMENT OF THE
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MARY'S**

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DECLARATION

I hereby declare that this thesis entitled “Effect of motivational practices on employee retention in the case of Commercial Bank of Ethiopia: kolfe keraniyo district, Addis Ababa”, has been carried out by me under the guidance and supervision of Mosisa Kejela (PhD).

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate studies for examination with my approval as a university advisor.

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St. Mary's university, Addis Ababa

January, 2024



CERTIFICATE

This is to certify that the thesis entitles “Effect of motivational practices on employee retention In the case of Commercial Bank of Ethiopia, Addis Ababa: kolfe keraniyo district”, submitted to St. Mary’s University for the award of the Degree of Master of Business Administration (MBA) and is a record of bona fide research work carried out by Mr. Dagmawi Mesfin under our guidance and supervision. Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

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Place & Date

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Table of Contents

ACKNOWLEDGEMENTS	vi
List of figure	ix
List of Tables	ix
Abstract.....	x
CHAPTER ONE: INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2 Statement of the Problem	4
1.3. Objectives of the Study	6
1.3.1 Main Objective	7
1.3.2 Specific Objectives	7
1.4. Research Questions	7
1.5. Hypothesis of the Study	7
1.6. Significance of the Study.....	8
1.7. Scope of the Study	8
1.8. Limitations of the study	9
1.9. Definition of operational terms	9
1.10. Organization of the Study	10
CHAPTER TWO: LITRATURE REVIEW	11
2.1 Motivation.....	11
2.2 Theoretical Framework of Motivations	13
2.2.1 The Content (Need) Theories.....	13
2.2.2. Process Theories	16
2.3 Employee Retention.....	16
2.3.1 Importance of Employee Retention.....	18
2.3.2 Factors Affecting Employee Retention	18
2.3.3 Improving Staff Retention in the Organization.....	23
2.5 Impact of Motivation on Retention of Workers	24
2.6 Empirical Review	25
2.7 previous research gap.....	27
2.8 Conceptual Framework.....	29

CHAPTER THREE: RESEARCH METHODOLOGY	30
3. Introduction	30
3.1 Description of the Study Area.....	30
3.2 Study Design.....	30
3.3 Study Research Approach	31
3.4 Sources of Data	31
3.5 Target Population.....	32
3.6 Sampling Size and Technique.....	33
3.7 Data collection tools	35
3.8 Methods of data analysis	35
3.9 Validity and Reliability.....	36
3.10 Ethical Considerations.....	37
CHAPTER FOUR: RESULT AND DISCUSSION	38
4.1 Demographic Composition of Respondents	38
4.2 Result of Descriptive analysis.....	41
4.3 Data Analysis Using Inferential Statistics	45
4.3.1 Correlation Analysis	45
4.3.2 Regression Analysis.....	47
4.3.3 Hypothesis testing result	50
CHAPTER FIVE: SUMMARYOF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATION	51
5.1 Summary of major findings and discussion	51
5.2 Conclusions	52
5.3 Recommendation.....	53
References	55

List of figure

Figure 1 conceptual framework.....	29
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List of Tables

Table3.1 target population	33
Table3.0.3 Proportionate Sampling Determination.....	34
Table4.0.1Demographic composition of respondents	39
Table 4.0.2 level of respondents' opinion on salary, reward and recognition and training and development.....	42
Table 4.0.3 level of respondents' opinion on promotion, working environment and job security	43
Table 4..0.4 level of respondent's opinion on retention factors	44
Table4.0.5 correlation analysis	46
Table4.0.6 Regression Model Summary	47

Abstract

Employees are essential to an organization's success. The accomplishment of organizational objectives depends on staff retention in the contemporary, competitive work environment. It is impossible to overstate the significance of motivation in keeping key personnel. Retaining top talent is still a struggle for most managers. This study's primary goal was to determine how motivating techniques affect employee retention. The kolfe keraniyo district of the Commercial Bank of Ethiopia, Addis Ababa, was chosen as the case study location. Samples of 146 CBE workers' questionnaire response were analyzed using an explanatory research design in order to meet the goal. Stratified random sampling, Solvin's sample size determination algorithm, and Taro Yamane's 1967 methodology were used in the selection of these respondents. For the study, both primary and secondary data were employed. With the use of statistical methods including mean, standard deviation, correlation, and regression analysis, the data obtained from a questionnaire were examined using SPSS (Statistical Package for Social Science) software version 24. As a result, the descriptive analysis's findings also showed that respondents' average levels of opinion on compensation, reward and recognition, and availability of training and development were low, and they had moderate levels of opinion on promotion. The findings of the correlation study showed that employee retention was positively and moderately correlated with training and development, reward and recognition, job security, working environment, salary and promotion. This suggests that CBE's use of these incentive techniques was insufficient to keep its staff members. Therefore, it is recommended that Commercial Bank of Ethiopia should set up suitable selection standards to guarantee that every employee receives a promotion on schedule; and that the Commercial Bank of Ethiopia puts aside funds to give diligent workers incentive bonuses.

Key words: *motivation factors, employee retention, Commercial Bank of Ethiopia*

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

A special and crucial resource that has a big impact on organizations is the human resource.

According to Johanim Johari, Fee Yean Tan, and Zati Iwani Tjik Zulkarnain (2012), human resources are a crucial part of every organization. This suggests that an organization's biggest value is its people resource. Organizations may have the most up-to-date technology, substantial financial resources, or a corporate location that is strategically important to the market, but none of these things alone can help an organization accomplish its goals unless its staff makes efficient use of these resources. Therefore, an organization's people resource is its true source of competitive advantage. Because of this, organizations now place a high priority on ensuring the accessibility as well as retention of qualified human resources (Harvey, 2009).

People are an organization's most precious asset, thus keeping employees in their positions is crucial for every business. Due to the lack of trained labor and the expansion of the economy, one of the most important problems organizational managers face is employee retention as well as substantial personnel churn (Michael, 2008). Rare and precious resources are said to provide a competitive edge.

Studies by Barney (1991) & Khan (2010) demonstrate that businesses may develop and maintain their competitive edge by managing their valued and limited human resources. Organizations that lack competent human resources cannot compete in their field. Because the single factor that makes an industry competitive is their human resource. As a result, the effectiveness and quality of an organization's human resources are crucial. In a market with intense rivalry and easily replicable technological processes and goods, this is true. The most important and trustworthy resource that may maintain a company one step ahead of its rivals is its workforce. Pfeffer, (2005)

As a result, organizations must carefully handle the key management of human resources issue of employee retention. Retention of staff members is the percentage of workers that remain with a company over a set length of time. Organizations develop and put into action a variety of human resource approaches to keep more employees and lower the turnover percentage of

critical staff. Qualified candidates have a variety of options on the worldwide market for job abilities; Harris (2007) noted that the labor market belongs to employees. The retention of adopt personnel is one of many organizational issues created on by the changeable corporate climate. Employee turnover, on the other hand, is expensive and can have a detrimental impact on both organizational effectiveness and employee morale (K. Michele Kacmar, Matthew Valle, & Robert Steilberg 2006).

Additionally, recruiting competent individuals can be challenging and investing in training is presently less secure due to the high cost of replacing staff (Lochhead & Stephens, 2004).

Employee retention's primary goal is to keep employees from leaving a company because doing so might negatively impact its productivity and revenue (Samuel & Chipunza, 2009). However, it has never been more difficult to draw in, keep, and inspire employees (Punia & Sharma, 2008). Organizations should take precautions to avoid creating an atmosphere that encourages turnover in light of the financial effect of losing skilled workers. Instead, they must implement and integrate employee development programs, laws, and procedures to boost employee engagement and retention.

In Ethiopia, contemporary banking first appeared around 1905. Emperor Menelik II and a representative of the British-owned National Bank of Egypt came to an agreement at the time to establish a new bank in Ethiopia on February 15, 1906, the first day when Emperor Menelik II opened the first Bank of Abyssinia, marking the beginning of banking in Ethiopian history. It was a bank that was privately owned, according to NBE (2010), and its stock was traded in Addis Abeba, New York, Paris, London, and Vienna.

Emperor Haile Selassie implemented financial reforms in 1931, the Bank of Ethiopia, a wholly state-owned organization, which replaced the Bank of Abyssinia after its dissolution; it offered both central and commercial banking services up to the Italian attack in 1936. The State Bank of Ethiopia was founded in 1943 after Ethiopia reclaimed its independence from fascist Italy. It has two sections that each carry out the distinct duties of an issuing bank and a commercial bank. These duties were legally divided in 1963, leading to the formation of the National Bank of Ethiopia (the country's central and issuing bank) and the Commercial Bank of Ethiopia.

In addition, the NBE (2010) claims that once the Dergue dictatorship established a command economy in 1974, the regime grew in power, centralized all of the earlier private banks, and merged them into a single bank. Following nationalization under the Dergue administration, only

the National Bank of Ethiopia, the Commercial Bank of Ethiopia, and the Agricultural and Industrial Development Bank (Mortgage Bank) survived as government-owned institutions.

The State Bank of Ethiopia was founded in 1942, and that is when the Commercial Bank of Ethiopia (CBE) began. In 1963, CBE was formally incorporated as a share company. Since then, it has played a crucial part in the nation's growth. Currently, CBE has over 37.9 million customers with accounts in a total of more than 1842 branches, and more than 6.6 million and 37k users, respectively, utilize its mobile and internet banking services. More than 8.3 million people had active ATM cards, and there were 17 million CBE Birr users. (Website of CBE)

A commercial bank is a for-profit company that deals in currency and loans. In the way that it takes public deposits of money to retain them in its custody for security, it is an organization that deals in money. So Commercial Bank of Ethiopia use different driving forces of motivation that improve human resource development or human resource management like several incentives, rewards, promotion, recognition, performance improvement with participation, salary, bonus, team building and generally both financially and non-financially aspect of motivation with several theoretical and empirical theories of motivation in critical evaluation of human resource management it depends.

According to Olowu and Adamolekun (2005), the requirement for organizations, whether in the public or private sectors, to supply products and services effectively and efficiently has enhanced the importance of obtaining and managing qualified human resources. Therefore, in order to boost performance and help a company reaches its objectives, efficient personnel recruiting and retention strategies are essential.

Today's competitive (labor) market and corporate climate place a premium on employee happiness and retention, and banks are not exempt from this rule. Therefore, Commercial Bank has implemented several management techniques as a last resort to encourage employee work satisfaction and, as a result, staff retention. It has been established that keeping human resources on board is crucial for the growth and achievement of the organization's goals and objectives. Jyothi and Venkatesh (2006) examined the following factors in their study on "Human Resource Management," which investigated into how to keep employees: (i) planning ahead, (ii) clarity in the requirements for the position, (iii) find an effective method of recruiting, (iv) Screening and interview, (v) offering difficult tasks, and (vi) emphasis pay and working conditions.

1.2 Statement of the Problem

Without a doubt, human resources are the backbone of enterprises throughout the world when effectively put (Yamamoto 2011). They can offer innovative solutions and help organizations gain a competitive advantage. The most successful businesses, according to Armstrong (2009), are the ones that can find, nurture, and keep employees with the skills necessary to run a global business that responds to its clients' needs and the opportunities offered by technology. Since they are the most crucial assets of any business retaining efficient and experienced staff in banking sector in Ethiopia is highly essential in the overall operation of the institution.

Over the years, there has been an increase in academic interest in motivation due to the goal to increase production and efficiency in all businesses. Researchers have been incredibly interested in determining what elements influence how motivated people are to work. Consequently, for academics and motivation has grown to be a crucial concern for HR professionals (Loretta Sarpong, 2016).

Employees that are motivated in the workplace perform harder and more effectively to acquire an advantage over others. It aids in igniting the inner fire of the employees that drives them toward higher results and accomplishments. Additionally, it increases their motivation to contribute significantly to the business. They become motivated to work and are guided toward their objectives by it.

An organization's low productivity might result from even one demotivated key member (Ghandhi, 2010). One of the major problems managers have nowadays is keeping freshly hired employees in their companies. In the era of intense competition, every business takes every effort to give its employees the best facilities. Today, the majority of organizations struggle with one of the toughest problems: meeting their human resource requirements. Knowing and understanding what happens in the human mind is really difficult. Additionally, it is becoming difficult and harder for businesses to retain competent and bright employees due to the abundance of opportunities available to them. No single retention strategy or plan can meet the needs of each and every employee in a firm.

In addition to offering cash incentives, many businesses develop and put into practice various employee retention techniques to keep their workers happy and committed to the business for an extended length of time. There are other companies that believe that if employees are exclusively

pleased with financial gain, they would stay with the company. Therefore, it is suggested that this study evaluate the impact of employee retention strategies at Commercial Bank of Ethiopia from the perspectives of its staff, officials, and human resource management officials, as well as what role retention ultimately plays in the success of the company.

Along with leaving processes, retention mechanisms should also be investigated. The fact that people don't always remain and depart for the same reasons was also mentioned by Steel, Griffith, and Hom (2002). A more comprehensive strategy for talent management, which is defined as "the implementation of a combined approach or system developed to improve productivity at work through the creation of better procedures for attracting, developing, retaining, and utilizing people with the necessary abilities and expertise to meet current and future business needs" (Lockwood, 2006), must include retention as a key component.

Today, however, it is becoming increasingly difficult to keep good employees. Globalization, economic expansion, and a lack of trained workforce are to blame for this. As a result, many businesses, including Ethiopia's public and private banks, are having trouble keeping hold of key personnel.

When workers quit their positions and need to be replaced, this is known as employee turnover. Existing staff must be replaced, which is expensive for businesses and detrimental to service delivery. Therefore, it is essential for management to minimize staff turnover, especially among those who are essential to the company's operations. These days, all organizations face the critical challenge of employee retention. There are a variety of elements that influence an employee's decision to remain with the company or quit. It might be caused by internal reasons, external ones, or a combination of the two.

By offering mortgage loans, auto loans, and other fringe benefits in addition to base pay, Commercial Bank of Ethiopia employs a number of strategies to retain and motivate its staff. Because they must be replaced at a higher cost to fill the gap, it is concerning that potential and experienced staff may leave this bank for other banks.

Data from the CBE bank's corporate human resource office revealed that, as of October 30, 2022, there were 6240 staff members who had left CBE overall in the previous five years. The number of staff members leaving the bank has been rising each year. The bank spent several millions on these employees, including the cost of hiring them, training and education expenses, medical expenses, and other expenses.

The bank should also pay attention to the loss of competitive advantage strategies, particularly those related to the loss of vice presidents and directors. According to data from the bank's corporate human resource office, 31 vice presidents and directors, including the bank president, have left their positions in the past five years. The goal of the study is to examine the effects of motivation on the retention of employees at CBE Kolfe Keraniyo Addis district city branches because staff losses result in a loss of knowledge and experience that has a significant economic impact on the company and affects customer needs. This has made it necessary for this study to analyze the retention problem in Ethiopia's commercial banks and determine whether the banks' employee motivation policies have an impact on employee retention.

According to a prior study, Elshaday (2016) assessed the motivational practices of CBE and found that the bank did not use any formal motivational approaches or strategies to increase staff members' job motivation. Accordingly, the present general issue in CBE, according to the previous study and the researcher's assessment, is a lack of a consistent motivating scheme, an inconsistent promotion structure, an inability to take into account the prior function of an employee position, and a lack of appreciation of employees' accomplishments. All of these factors lower staff morale, which negatively impacts their ability to provide excellent service, lowers productivity, and raises employee turnover.

However, it is unknown what forms of financial or non-financial motivating schemes were employed at Commercial Bank of Ethiopia to gauge staff engagement and impact service quality. By investigating the impact of job motivation on employees' retention at the commercial Bank of Ethiopia Kolfe Keraniyo district, this study aimed to close the gap.

1.3.Objectives of the Study

The objectives of the study are categorized into two. These are the main objective and the specific objectives.

1.3.1 Main Objective

The main objective of the study is to identify the effects of motivational practices on the retention of employees at Commercial Bank of Ethiopia: Addis Ababa, Kolfe Keraniyo district.

1.3.2 Specific Objectives

The main objective of the study is broken down into specific objectives. These are:

- To identify the motivational tools at CBE, A.A: Kolfe Keraniyo district.
- To explore the main retention factors for employees of CBE, A.A: Kolfe Keraniyo district.
- To explore the impacts of the various motivational tools on employee retention at CBE, A.A: Kolfe Keraniyo district.

1.4. Research Questions

The research has addressed the following specific questions:

- What motivational tools are used in CBE, A.A: Kolfe Keraniyo district?
- What are the main retention factors for employees of CBE, A.A: Kolfe Keraniyo district?
- What are the impacts of the various motivational tools on employee retention at CBE, A.A: Kolfe Keraniyo district?

1.5. Hypothesis of the Study

With the help of sufficient and appropriate empirical data on the effect of motivational practices on employee retention, this study was test the following hypothesizes:

Ha1. There is positive relationship between salary and employee retention

Ha2. There is positive relationship between reward & recognition and employee retention

Ha3. There is positive relationship between Training & development and employee retention

Ha4. There is positive relationship between promotion and employee retention

Ha5. There is positive relationship between work environment and employee retention

Ha6. There is positive relationship between Job security and employee retention

1.6. Significance of the Study

The study was intended to aid CBE policy makers in developing a suitable strategy for staff retention. Additionally, it benefits other scholars who might be interested in conducting in-depth research on the subject.

For individuals who are interested in additional research, the researcher hopes that the study will assist to clarify the advantages and disadvantages of employee retention, offer potential solutions, and present a comprehensive picture of both employee retention and organizational performance. Other academics who utilize the study paper for further references will use the dissertation as a valuable resource. The gaps for more research will be found by future researchers. The study is also anticipated to provide light on the connection between employee retention and motivation from the perspective of Ethiopian organizations. The study will aid in the process of policy making and lobbying for the benefit of all stakeholders for government and non-government organizations, civil society organizations, and community-based organizations.

1.7. Scope of the Study

The study concentrated on the effect of motivational practices on employee's retention. The study is limited to the Commercial Bank of Ethiopia, Addis Ababa city Kolfe Keraniyo region. The study selects nine branches (Bethel, Alembank, Sefere eyor, Keraniyo, Bethel Michael branch, Weyra sefer adebabay, Torhayiloch, Weyra and Teqwa branches).

The following are the boundaries of this research, which fall within its legal scope: Since the results in the private sector might differ, the study is only conducted on the Commercial Bank of Ethiopia. Geographical restrictions also existed because the study was restricted to Addis Abeba branches; therefore it was possible to accept that the outcome would differ depending on the location. May through December, 2023 the research took place. Explanatory study design was utilized to examine the data that will be gathered via questionnaire in order to meet the goal. In the study, both primary and secondary data will be employed. The information gathered via a questionnaire using statistical methods like mean, standard deviation, correlation, and regression analysis to do the analysis.

1.8. Limitations of the study

Constraints on time and money were the study's biggest challenges. At CBE, there is a dearth of reading material on the topics of staff retention and motivation. Conceptually the study confined to effects of motivational practices on employee retention in Commercial Bank of Ethiopia, Addis Ababa Kolfe Keraniyo district with 9 selected branches. This ignores the idea and responses of employees of CBE working outline districts of the country. The higher level of the organization lead may not be volunteer towards to give the organization information as they considered confidential. Due to time constraints and some respondents' unwillingness to reply to the questionnaire on time, other motivating factors are not included in the research.

1.9. Definition of operational terms

Motivation: is defined by Jones and George (2009) as mental factors that affect a person's behavior within an organization, their degree of effort, and their level of tenacity in the face of difficulties.

Intrinsic motivation: is drive that originates from the employee. People are influenced to behave in a specific way or direction by self-generated circumstances.

Responsibility, autonomy (freedom to act), opportunity to succeed and improve, and scope to use and develop one's talents and abilities are all intrinsic motivation aspects. When the task itself drives a person, that person is intrinsically driven to work. The task itself serves as the incentive (Armstrong & Taylor, 2014).

Extrinsic motivations: are outside forces that prompt an employee to take action in the direction of completing a job or reaching a goal. When anything is done to or for someone in an effort to inspire them, it happens. They are typically incentives or penalties. Employees are motivated to behave in order to avoid punishment, whereas they are motivated to perform in order to obtain reward. This encompasses both benefits and penalties, such as wage raises, accolades, and promotions (Armstrong & Taylor, 2014).

Retention: According to Butler (2001), retention is the commitment to maintain continuous interactions or economic relationships with a certain organization. Customer likes, identification, commitment, trust, willingness to suggest, and repurchase intents are all parts of the concept of

retention; the first four of these are emotional-cognitive retention characteristics, while the latter two are behavioral intentions.

Employee: Black (1991) defined an employee as a person who is employed by another person according to a contract of hire, whether express or implicit, written or oral, and when the person hiring the employee has the authority to govern and supervise the employee with respect to the specifics of how the business operations are carried out

Employee retention: The capacity of a company to retain its personnel is referred to as employee retention.(Ahlrichs, 2000).

Working environment: refer to creating a safe, secure, and, to the extent possible, enjoyable workplace for employees (Michael Armstrong, 2006). The environment in which a person or group of people works might include interactions with coworkers, working hours, workload, resource availability, and other factors.

Promotion: According to Heery and Noon (2001), promotion is described as "achieving high status at work through effective work, generally increasing the status, position, and compensation of employee in the organization."

Recognition: One of the most effective ways to motivate individuals is by recognizing them. A person or team's behavior, effort, and successes that promote the organization's aims and values are acknowledged through recognition. (Oosthuizen, 2001) defines acknowledgment as the expression of gratitude for a person's specific contribution and a means of rewarding them for successfully completing a task or providing quality performance

1.10. Organization of the Study

This research is divided into five main chapters. The nature, context, and issues of the study's goals are discussed in chapter one. In order to set the theoretical groundwork for the study, Chapter two gave a thorough overview of the literature on employee intention. In addition to discussing the population and sampling, data collecting techniques, and apparatus, chapter three covered research methodologies. In Chapter four, the findings and outcomes of the data analysis were presented. Fifth chapter provides conclusions and recommendations.

CHAPTER TWO: LITRATURE REVIEW

The literature on motivational concerns in relation to the study is reviewed in this chapter. This chapter's goal is to set the stage for the research by covering ideas and theories related to employee retention and motivation.

2.1 Motivation

Motivation is the energy, direction, and maintenance of behavior that comes from either an internal or external factor, Daft & Noe (2001). According to Daft and Noe, a person's motivation affects excitement, channels energy toward an end, and sustains behavior even when the behavior is undesirable does not instantly bring about a reward or that is challenging to carry out in the workplace.

According to Wiradendi, Supriyati, and Purwana (2019), work motivation is the need that drives someone to perform in order to meet demands or strike a balance. Despite the fact that there are now many different theories of motivation, this research uses Abraham H. Maslow's theory of motivation as a framework for analyzing existing problems and providing prospective solutions for the company's proposals.

Intensity refers to how hard someone tries, according to Robbins and Judge (2018), who define motivation as the "intensity, direction, and persistence of an employee's effort in order to accomplish goal." Most of us focus on intensity when we consider motivation, but high intensity alone won't guarantee the greatest results unless it is combined with the proper direction, which is compatible with the company purpose and advantageous to the company. The persistence component concerns how long a person persists in their efforts. Employees that are motivated stay on the work long enough to accomplish their goals.

To motivate staff to perform harder, quicker, more efficiently, and with greater passion, managers must understand the aspects that contribute to motivation. According to Bennet, employees are motivated in part by the need to make a livelihood and in part by human needs such as the need for job happiness, job security, respect from coworkers, etc. Motivation

according to Anne & Barry (2005) is the level of effort that a person puts out when undertaking a task.

In order to guarantee that workers are carrying out their duties in a way that advances organizational goals, businesses pay close attention to how employees are constantly motivated by both extrinsic and intrinsic motives. According to several authors, motivation leads to behavior that is goal-directed. According to Mullins (2006), motivation is primarily concerned with why and how an employee applies their maximum effort, or intensity, over a prolonged period of time in order to achieve their goals despite challenges, or persistence, towards a particular goal, or direction.

Motivation can be categorized into extrinsic and intrinsic motivation. Extrinsic motivation is connected to outside variables like pay, perks, and advancement. According to Kinicki, Cole, Digby, and Natash (2014), intrinsic motivation is connected to internal elements including job satisfaction, responsibility, demanding work and success, praise and acknowledgment

According to Daft & Noe (2001), intrinsic motivation refers to the pleasure a person has when carrying out a certain action. The fulfillment of a challenging task or the accomplishment of a personal goal can both come from resolving an issue that helps others. Extrinsic motivation, on the other hand, is encouragement from someone else as a reward for a job well done, a job well performed, or great behavior. It could take the shape of a manager's endorsement for promotion or a salary raise for productive workers.

The management must motivate the personnel to focus (their motivation) on achieving the institution's goals and objectives. In its most basic form, motivation consists of three components. What matters more to a person giving it in return for anything or engaging in desired behavior? Regarding the first concern, evidence indicates that employees like pay structures that take into account, to mention a few, seniority, market rates, changes in cost of living, and individual performance.

Essentials/Features of Good Motivation System

High motivation raises spirits and promotes productivity. A driven employee gives all for the business. He continues to be loyal and committed to the business. The following characteristics

belong to a good organizational motivation system Gandhi (2011). Gandhi believed that exceptional accomplishment deserved both a just reward and twofold recognition. Additionally, the workers must get equitable and fair treatment. It is necessary to swiftly and equitably address their grievances and problems. To incentivize both effective and effective employees, employers should employ a carrot-and-stick strategy. Unfavorable consequences, such as the possibility of punishment, should be seen by employees as an outside pressure and avoided. They should consider the advantages, such as a carrot-shaped incentive or an internal.

Gandhi believed that a strong motivating system needed to be connected to the objectives of the company. Thus, it is necessary to align personal employee aspirations with organizational objectives. It is necessary to adapt the motivating system to the context and the organization. A strong motivating system necessitates changing the nature of each person's employment. The jobs should be revised or reorganized in accordance with the demands of the circumstances. You might employ any of the alternatives to job specialization. Gandhi believed that both monetary and non-monetary rewards should be a part of the motivating system. The financial incentives have to be tied to performance. Performance needs to be determined by how an individual contributes to the mission rather than by how well-known they are.

The management needs to comprehend and pinpoint each employee's motivators. A strong motivation should promote supportive supervision, which involves sharing supervisory opinions and experiences with subordinates, listening to their opinions, and assisting the subordinates in carrying out the assigned tasks.

2.2 Theoretical Framework of Motivations

Numerous ideas have been developed to explain the nature of motivation. These theories were divided into two major groups by Mullins, et al. (2006): content theories and process theories.

2.2.1 The Content (Need) Theories

Theories of content attempt to elaborate on those particular topics that truly inspires employees to perform well at work. Theories falling under this area are concerned with determining the requirements of employees, their relative abilities, and the goals they work towards in order to meet those needs. Content theories often concentrate on the characteristics of demands and the

forces that drive. Hierarchy needs theory (Maslow's hierarchy of needs), ERG theory, Herzberg Two Factor Theory, and Acquired needs theory (McClelland's/Learned need theory) are ideas that fall under the category of content theories.

2.2.1.1. Hierarchy Needs Theory (Maslow's Hierarchy of Needs)

The most well-known content (need) theory of motivation is Abraham Maslow's hierarchy of wants (Kinicki et al. 2014). Each human has a hierarchy of five requirements, which he listed:

Physiological needs- needs such as food and shelter.

Safety needs- needs for stable environment, relatively free from threats.

Love needs- needs related to affectionate relations with others and status within a group.

Esteem needs- needs for self-respect, self-esteem and the esteem of others.

Self-actualization needs- the need for self-fulfillment.

The following need grows increasingly important when each of these requirements is essentially met, and an essentially met need will no longer drive. Maslow contends that in order to inspire someone, one must first comprehend where that person is in the hierarchy and place a strong focus on meeting their needs.

According to Maslow's theory of needs hierarchy, better pay, better working conditions, a higher level of recognition and positive interpersonal relationships with superiors and coworkers are all necessary for employees in the private sector to satisfy their needs for self-actualization. If all of their needs were met, private sector employees would be satisfied and motivated to stay in their jobs, according to the research's application of this idea.

2.2.1.2. ERG Theory

Abraham Maslow's hierarchy of needs has been modified or adjusted, and Clayton Alderfer presented it. According to Kinicki et al. (2014), Alderfer divided the three categories of essential human wants into Existence, Relatedness, and Growth. The existence group is concerned with the fundamental material requirements that Maslow lists in his hierarchy of needs for safety and physiology. The desire for establishing meaningful interpersonal connections is connected to Maslow's social need and need for other people's respect. The development is driven by an innate need for personal progress and is consistent with Maslow's needs for self-actualization and

internal esteem. In addition to reducing the number of wants from five to three, two needs may be eliminated concurrently, according to Alderfer's ERG hypothesis.

2.2.1.3. Herzberg's Two Factor Theory

Motivation and performance are influenced by two factors: the hygiene factor and the motivators. The hygiene variables, according to Mullins et al. (2006), include organizational policy, work circumstances, and external to the job itself and become a cause of discontent if absent or a cause of no unhappiness but lack of satisfaction if present. The motivating factors are those elements that, when present, are used to encourage employees to improve performance. These elements include accomplishment, recognition, accountability, the work itself, and other aspects of the job that are intrinsic to the position. If these elements are absent, however, they will not only prevent satisfaction but will also result in dissatisfaction. Motivator components are part of every piece of work and are in charge of providing it a feeling of direction. A sense of success, chances for professional growth, more responsibility, decision-making duties, engaging work, rewards and recognitions, etc., are some of its components. It's critical to understand that while a lack of motivation won't always lead to dissatisfaction, it will unquestionably lead to satisfaction. The hygienic factors are crucial to employee pleasure, and removing them would surely result in a lack of motivation or dissatisfaction. Even when they are adequately present, the employee's level of motivation is just neutral. Some of these factors include compensation, the work environment, supervision, job security, HR policies, the work schedule, paid time off, and interpersonal connections. While motivation comes from the internal context of a work, cleanliness comes from the exterior surroundings of a job. The primary contrast between hygiene and motivational factors is that whereas motivators try to increase happy feelings, hygiene factors try to lessen unpleasant feelings.

2.2.1.4. Acquired-Needs Theory of David McClelland's

The Three-Need Theory and Learned Need Theory are other names for it. According to Kinicki et al. (2014), the three-need hypothesis places special focus on the demands of success, power, and affiliation.

- Achievement need: The force to succeed, to attain the plan.
- Power need: The need to influence others in order to behave in attaining organizational goal.
- Affiliation need: The need for good friendly interpersonal relationship.

2.2.2. Process Theories

Process theories: looking for connections between dynamic factors that boost motivation. This theory focus more on how behavior starts, is guided, and is sustained. The actual process of motivation is the main emphasis of process theories. Expectancy theory, Equity theory, Goal theory, and Attribution theory are the theories included under Process Theories.

2.2.2.1. Expectancy Theory

The fundamental premise of expectation theory, according to DuBrin (2012), is that how hard an employee works on their job truly depends on what they anticipate to gain from helping to achieve organizational goals in order to achieve their own goals.

2.2.2.2. Equity Theory

Equity theory places a strong focus on how employees believe they were treated fairly in comparison to how others were treated for similar types of jobs and work performance, according to Mullins et al. (2006).

2.2.2.3. Goal Theory

One of the fundamental responsibilities of management is to help employees accomplish their objectives and to provide the necessary direction and/or support to ensure that these goals are compatible with those of the organization (Kinicki, et al. 2014).

2.2.2.4. Attribution Theory

According to Brooks (2006), attribution can be internal or external and is the recognized cause of both our behavior and that of others. While we have some influence over the internal attribution, which is based on our own characteristics, the external attribution is caused by other forces at work.

2.3 Employee Retention

The percentage of employees that stay with a company for a predetermined amount of time is known as employee retention. Employee retention, according to Shakeel & But (2015), is maintaining a worker for the longest possible time in a company. The rate at which present workers of a company continue in their positions is known as employee retention. As a result, staff turnover is the exact opposite of employee retention. The availability of talented workers is increasingly serving as a differentiator for most firms in the competitive business climate of

today (Samuel & Chipunza, 2009). In reality, this necessitates that businesses make deliberate, coordinated efforts and take specific activities to entice and retain personnel.

Denton (2000) made the following claim in this regard: "Employees who are satisfied and confident with their jobs are more committed to consistently putting their effort to satisfy and increase the pleasure of business customers." Being able to retain a high level of employee longevity does not automatically imply that a firm is practicing strong employee retention practices. This suggests that different policies and procedures are required for employee retention in order to encourage employees to stay with a company for a longer length of time. Employee retention is impacted by the system of rules and HR practices or the workplace environment, according to Siddapur (2016), who also makes this claim.

Therefore, companies that develop and apply human resource policies that encourage employee motivation and make them happy at work may keep their critical personnel. Availability having such seasoned workers would help these businesses more by assuring their long-term survival and commercial success. The main benefit of boosting employee retention in a business is that skilled workers who stay with the company for an extended length of time are more familiar with its policies and procedures, develop connections with consumers, and perform better as a result. In this regard, Cascio (2003) said that one of the crucial key issues confronting businesses in the area of performance is their failure to develop and implement HR practices that enable employees to be satisfied and motivate them to remain in an organization.

Organizations should thus modify their human resource policies to better meet the different demands of their workforce, since this will increase employee retention and encourage long-term employment. It's crucial to remember, though, that improving staff retention rates inside a business is not an aim in and of itself. Higher retention rates may not necessarily translate into superior organizational performance or high staff productivity. Therefore, strategies for staff retention should promote commitment, loyalty, and improved organizational performance (Kimunge, 2014). These are the companies' ultimate objectives, even as they work to increase personnel retention rates.

2.3.1 Importance of Employee Retention

One of the key indicators of an organization's health is employee retention. You may bet on additional employees in their areas departing as well if you are losing key staff members. You may use the information you learn from exit interviews with leaving employees to keep the remaining personnel happy. One of the biggest problems facing businesses today is keeping good staff. A good pay and excellent benefits are necessary for retention. However, much more is needed to retain an organization's greatest workers. Employee engagement, recognition, growth, progression, and performance-based compensation are only the beginning of the organization's efforts to keep the best employees.

What are people seeking? They want the same things they always have: difficult and interesting work, fair compensation, the tools and resources they need to accomplish their tasks, praise for a job well done, and a voice in the decisions that affect their day-to-day experiences at work (Grensing, 2000). According to Santosus (2003), if employees have nowhere else to go, there is no need to take any action to keep them on board. However, if you wait until tomorrow, difficulties will arise. Santosus asserts that if businesses don't make an effort to keep their employees, it's likely that they will do so in the future when competing companies woo them.

2.3.2 Factors Affecting Employee Retention

Even amid a worldwide economic crisis marked by downsizing and layoffs, HR managers still need to figure out HR strategies that allow them to keep their skilled employee due to the high expenses involved with employee turnover. Steal (2002). These procedures are sometimes included under the umbrella term "retention management," which is described by Yates (2000) as "the capacity to retain those employees you want to keep, for longer than your competitors." There are five things to keep in mind, and they are as follows: First and foremost, financial incentives, or the supply of an alluring compensation package, are one of the most frequently discussed retention reasons since it not only meets material and financial demands, but also has a social significance. The employee's relative position of authority and prestige inside the company is shown by their compensation level. The relevance of financial benefits for employee retention, however, varies greatly amongst individuals, according to study. Griffieth and others, 2001

For instance, a research by the "Institute for Employment Studies" done by Branham (2001) found that just 10% of workers who had left their employment cited salary discontent as the primary reason for their departure. Additionally, because of the tendency toward benchmarking, it is become harder for businesses to differentiate themselves from their rivals through compensation, which lessens the effect of monetary incentives on employee retention. In 2001, Cappelli. However, many organizations continue to use remuneration packages to bind their employees to the organization despite the fact that many studies show that money is a poor motivator. According to a 2001 study, the most common retention strategies reported by HR managers of knowledge firms still related to compensation.

The second most significant element determining employee retention is regarded to be the availability of professional development possibilities. It is recommended that a business engage in the growth of its personnel if it wishes to deepen its relationship with them. According to Steel et al. (2002), this does not, or need not, include providing employees with chances to advance their employability on the internal and/or external labor market through training and skill development. The provision of employee coaching or mentoring, the planning of career management seminars and the implementation of competency management programs are additional aspects related to career development, according to Cohen (2001). For example, a 2002 poll by the Council for Service in Government indicated that employees' opinions of advancement possibilities were the most often touted justification for excellent achievers quitting the business.

The third group of retention criteria has to do with the nature of the job, more particularly, whether it is hard and fulfilling. It is predicated on the idea that individuals work for more than simply financial gain Michael et al. (2001). They also strive to find meaning and fulfillment in their lives. Employees, according to Wells (2002), have a strong desire to produce exceptional outcomes as well as take on challenging tasks that are pertinent to the firm. However, the chance of demotivation and turnover is rather significant when their employment mostly entails the completion of duties on a routine basis. Organizations can influence their retention rates by carefully considering which responsibilities to add in particular roles. Steel (2002). This is referred to as "job sculpting" by Branham (2001), which is the skill of placing individuals in positions that support their "deeply ingrained life interests." There is mounting evidence that

employee outcomes including commitment, performance, and organizational citizenship behavior are significantly influenced by work content. According to Ruth et al. (2004), retention measures targeted at improving the intrinsic features of the work were the second most common kind that HR managers of knowledge enterprises reported using.

The fourth retention component that many researchers take into consideration is the social climate, which includes the work environment and the social relationships that exist within it. According to Cappelli (2001), maintaining one's colleagues' loyalty is a successful retention strategy. An employee's social network is also gone when they decide to leave the organization. Numerous studies have found that keeping talent depends on social relationships between employees and departments. Ruth et al. (2004) claim that by promoting interaction and teamwork among employees as well as direct and open communication between management and staff, organizations may aid in creating a positive social environment.

Encouragement of a healthy work-life balance, according to Cohen (2001), is the sixth retention element that is frequently discussed in the literature. The conflict between work and profession on the one hand, and private life on the other, is growing significantly in our culture today. More flexible work schedules are required in order to ease tension between work and home life and increase overall employee satisfaction. HR policies addressing work-life balance are seen to be extremely important since the current generation of employees places a high value on a quality life and is always under pressure to succeed. Michael and others (2001).

External Drivers for the Retention Crisis

This problem is more important now than in earlier years due to significant internal and external changes that have taken place in businesses. Sadly, these adjustments will only make the issue worse in the future (Nancy 2005).

Economic growth; almost all industrialized nations and many emerging ones have seen protracted economic booms. Jobs will keep growing as economies grow. In almost every area of the economy, economic expansion quickly results in the creation of new employment, giving employees more alternatives for leaving their current positions (Nancy, 2005).

Entrepreneurship; particularly those formed by persons who left big organizations and carried their skills with them have seen significant growth in small enterprises in recent years (Branham, 2001).

Job changes for more favorable climates; a sizable portion of jobs relocated in recent decades to regions where the weather was thought to be more suitable. As people relocate, turnover is produced. The location of the employment itself is all that has changed, not the specific organization (Grantham, 2000).

2.3.2.2 Internal Drivers for Retention Crisis

Internal concerns such as structural changes within the business and changes in employee attitudes about work and their employers function in combination with external forces to cause high turnover. The following internal factors significantly affect turnover.

2.3.2.2.1 Lack of Company Loyalty

One of the most bothersome retention issues is possibly a lack of customer loyalty. Numerous companies show how much essential loyalty has fallen off recently. Employees used to appreciate their jobs and want to stay with a company for a long time. Studies indicate that it is not just low, but also low right now and may possibly be declining. Ironically, the study shows that workers want to stay with a company longer, offering businesses an opportunity to address this issue (Ngirwa, 2005).

2.3.2.2.2 Desire for Challenge and Useful Work

The demands of employees for creative, challenging, and useful work have been shifting for a long. Many employees view their jobs as their "identities." They need to use their intelligence and make a big contribution. They will seek for a position where they can if they are unable to do so within the confines of their current one (Nancy, 2005).

2.3.2.2.3 Need for Autonomy, Flexibility and Independence

More independence and control over how they organize and set up their office is becoming the norm for employees. Thanks to technology, working from home is becoming easier. This demand is luring a lot of people to businesses with adaptable organizational structures.

2.3.2.2.4 Need for Performance Based Rewards

More workers are looking for suitable incentive structures that account for their success and contribution. If incentives are not directly correlated with performance, workers frequently locate employment with companies where they will be compensated appropriately, Richardson (2001). Need for acknowledgement of involvement, successes, and achievements; In addition to monetary compensation, employees need acknowledgment for their efforts and accomplishments. For many years, regular praise and feedback have been a significant component of motivating studies. Employees look for places of work where they may be appreciated in a more routine, methodical manner, in 2005, Ngirwa.

2.3.2.2.5 Desire for All Types of Benefits

Unfortunately, employees expect money in all forms. Some employees may go to tremendous lengths to obtain a job that provides a benefit that is crucial to their requirements. Businesses have been compelled to alter their practices and offer a range of advantages, some of which are absurd Bryant (2001).

2.3.2.2.6 Need to Learn New Skills

Employee interest in developing new skill sets and skill sets is maybe a more recent phenomenon. The employees want to learn new technologies, procedures, and projects as well as to grow all kinds of talents, especially in the technological field. Employees do not believe that having more experience or abilities will guarantee them a job. As a result, they look for businesses that will finance them. Strong draws include the availability of extensive job-related training, attractive tuition reimbursement, and opportunity for ongoing growth.

2.3.2.2.7 Desire for Competitive Compensation

The organizational internal change that has likely drawn the greatest notice is the increase in pay schedules. The pay scale has grown significantly, frequently outpacing other economic indexes. The employee wants a raise and additional spending money. According to Branham (2001), they also see their salary as a measure of their value to the company and their industry. Although internal problems and external problems changes together present a huge challenge for firms to

manage employee retention, internal problems can have a greater impact on turnover rates than external factors do (Nancy, 2005).

2.3.3 Improving Staff Retention in the Organization

200 persons who had recently changed workplaces were questioned by Taylor and his colleagues in 2002 about their reasons for quitting their previous positions. They discovered many elements at play. In the majority of situations, push forces predominated far more than pull factors. Very few people seem to quit their generally good professions in quest of greater opportunities. Instead, the majority of the time, unsatisfied workers look for new jobs because they no longer appreciate their existing employers (Torrington, Hall, & Taylor, 2008)

According to Taylor (2002), it is important to take into account the following factors, all of which have been demonstrated to be beneficial in increasing retention and hence reducing unfavorable employee turnover: At the recruitment stage, job previews provide potential workers with a genuine employment preview. Be careful not to give them false hope just to disappoint them. Technology advancements have provided businesses new options to present potential workers to the organization before they accept a position. Hold team leaders accountable for employee attrition. By include the subject in evaluations, commend managers who have a great track record of keeping personnel. Provide line managers with training in people management and development strategies before recruiting or promoting them. If a manager's personnel often leave, think about retraining them. To maximize opportunities for individual employees to develop their abilities and grow in their careers when promotions are not feasible, look for sideways moves that diversify experience and make the work more exciting.

By using consultative bodies, routine evaluations, attitude surveys, and grievance processes, you may guarantee that employees have a "voice" and are heard. This will provide irate employees a range of methods to address problems prior to leaving their employment. The only option when there is no means to communicate displeasure is to give up. Be considerate of people's preferences for working hours and times when you can. People would definitely look for another employment that can supply them if they are obliged to work hours that clash with their family responsibilities.

2.3.3.1 Security and Stability Are Greatly Valued By Most Employees

Never discriminate against employees; always treat individuals properly. When seen from a managerial perspective, a sense of unfairness—regardless of the reality—is a key factor in voluntary resignations. While total compensation is not likely to be a significant factor unless it is far below market rate, perceived injustice in the distribution of benefits is definitely likely to cause resignations.

2.5 Impact of Motivation on Retention of Workers

Chaminade (2007) defined retention as a voluntary effort performed by an organization to create an environment that engages staff members over the long term. According to Samuel & Chipunza (2009), the main objective of retention is to prevent talented employees from leaving the company because this might have a detrimental effect on production and profitability. However, managers and HR specialists currently find it very challenging to put into practice successful retention tactics. A company's capacity to retain employees is essential to that organization's ability to compete, since it fosters employee development and the accomplishment of the organization's goals and objectives.

The literature on employee retention once again reveals that attracting existing employees is less expensive than recruiting new talents since organizations already know their employees and what they want and because the initial cost of tempting new employees has been invested. Long-term employees are better equipped to contribute since they are more familiar with the company's rules, procedures, as well as laws and regulations, than those who would not stay for a long time. People who work for an organization for a longer length of time tend to be more committed to

the management and the business; it is important for the business to retain the valued employees who are showing promise. Every business requires hardworking, bright workers who can really shine.

2.6 Empirical Review

The researcher attempts to connect the study with the literature review in this part by citing prior work in the same field. Studies on motivation and retention have been undertaken by a large number of academics and professions.

Using statistical methods of statistical correlation and regression, Eberendu and Kenneth-Okere (2015) looked at the link between retention and motivation in Nigeria. The findings of this study demonstrated that one of the key variables influencing the degree of employee retention is motivation. The study also showed that when employees receive performance-based pay, are praised for their efforts, and have the power to carry out ideas, they are highly motivated. Aryeetey (2011) used a descriptive statistical technique to analyze the Ghana Airport Company's employee incentive tactics and their effects on productivity. After doing the study, she came to the conclusion that both intrinsic and extrinsic motivators contribute to job satisfaction regardless of the position of employees within the company. The study also showed that motivation has a favorable impact on worker productivity.

Chi Square statistical analysis was used by Samuel and Chimpunza (2009) to investigate the relationship between employee retention and turnover utilizing incentive variables as a magic bullet. The study's goal was to investigate the main intrinsic and extrinsic motivating factors that public and private sector firms utilize to keep their employees happy and to ascertain how much of an impact these factors have on employee retention. The study's findings demonstrated that motivated employees are more likely to stay with their companies. The study also found that job stability, flexibility for creative thinking, training and development, and fascinating work were major determinants of employee motivation.

Using correlation and regression analysis, Ali and Ahmed (2001) examined the effect of incentive and recognition programs on employees' motivation and satisfaction. The study used correlation statistical techniques to examine the effects of nine factors, including job content,

salary and advancement, working conditions, perks, and leader or supervision on employee motivation. The study's findings indicated that compensation, advancement, working conditions, and personal elements are the most important ones that have an impact on motivation.

In order to investigate the relationship between employee orientation and training and retention, Kaiser (2006) used a cross tabulation and Pearson Chi Square statistical approaches. To determine the connection between the training program, tour of the organization and department, introduction to the team members who would be working with him, introduction to the company's goals and mission, welcome social gathering, completion of all paperwork and forms for the human resources department, safety procedures on the other hand, and turnover on the other, he used a correlation technique. The results of this study demonstrated that orientation and training are the key factors in turnover.

Taplin and Winterton (2007) did another study on the significance of management style on employee retention. The study's goal was to investigate how management practices affect employee retention in sectors with significant labor turnover. Interviews with employees and managers based on an industry-wide data collection served as the study's methodology.

The study's conclusion was that management should take positive steps to encourage workers' attachment to their managers and the company. These steps are essential to maintaining workplace morale and reducing the likelihood of employee turnover. Taplin and Winterton's study from 2007 was crucial for understanding how management style affects employee motivation, but it has a flaw in that it only considers management's perspective and ignores that of employees, implying that management can only maintain labor retention even though this is untrue. There are additional motivating variables that rely on how the researcher's study is perceived by the employees. Takahashi (2006) performed yet another study on the impact of pay and advancement on the levels of employee motivation in Japan. This study's objective was to concentrate on the consequences in Japanese organizations that place a high importance on job security. The goal of the study was to specifically examine the relative potency of pay and promotion incentives as they relate to employee motivation.

1823 Japanese workers of the Toyota Motors group firms were included in the approach. Separate analyses of the impact on employees of the white color (n=928) and the blue color

(n=818) were done using multiple regression analysis. The results demonstrate that employee work motivation is favorably influenced by both pay and promotion. Fair promotion shown to be more potent motivations than income level and wage rise when the relative intensities of the impact is compared. The Takahashi (2006) study made a significant contribution because it took a pluralistic stance and did not consider pay to be a key motivator for employee retention. However, there are other factors like working conditions, involvement in decision-making, and others that were not examined in that study. The study attempted to integrate more elements and determine their effects. The study's geographic setting in Japan, which was different from Tanzania, had to do with labor turnover. In 2006, Hang, Lin, and Chuang performed research in China on building elements that affect employee retention. That study's objective was to investigate the impact of individual, firm-based, and market-based factors on employee job retention. Its premise was based on the human capital theory and signaling models. The method used was data collection on 180 employees who left their jobs at one company, interviews with human resource managers and those who left for other jobs, and an analysis of the factors that affected whether an employee decided to stay with a company for a specific amount of time.

The link between the hypotheses was tested using hierarchical regression analysis. According to the research, individual performance and education level had little bearing on how long employees kept their employment, but marriage, gender, honored employee status, relative compensation (both intra- and inter-firm earnings), speed advancement, and economic cycles did. It has been demonstrated that a firm's human capital, salaries, and signaling effects all impact employment retention. This study was highly important since it examines a wide range of factors related to labor turnover, but the researcher also sought to find out if the situation in Ethiopia would be similar to that in China.

2.7 previous research gap

Numerous researches on the influences of motivation on employee retention have been conducted, drawing on empirical and other literature. Kusi (2014), conducted a research on the effects of motivation on retention of local government employees in Ghana, Robescu (2016), also conducted a research on the effects of motivation on employees performance in companies in Romania. The studies revealed different findings and some of the find outs are contradicting

because researchers have emphasized on different organizations, industries and countries. But the question persists that why companies still face motivational problems which hinder the level of organizational performance by retaining employees.

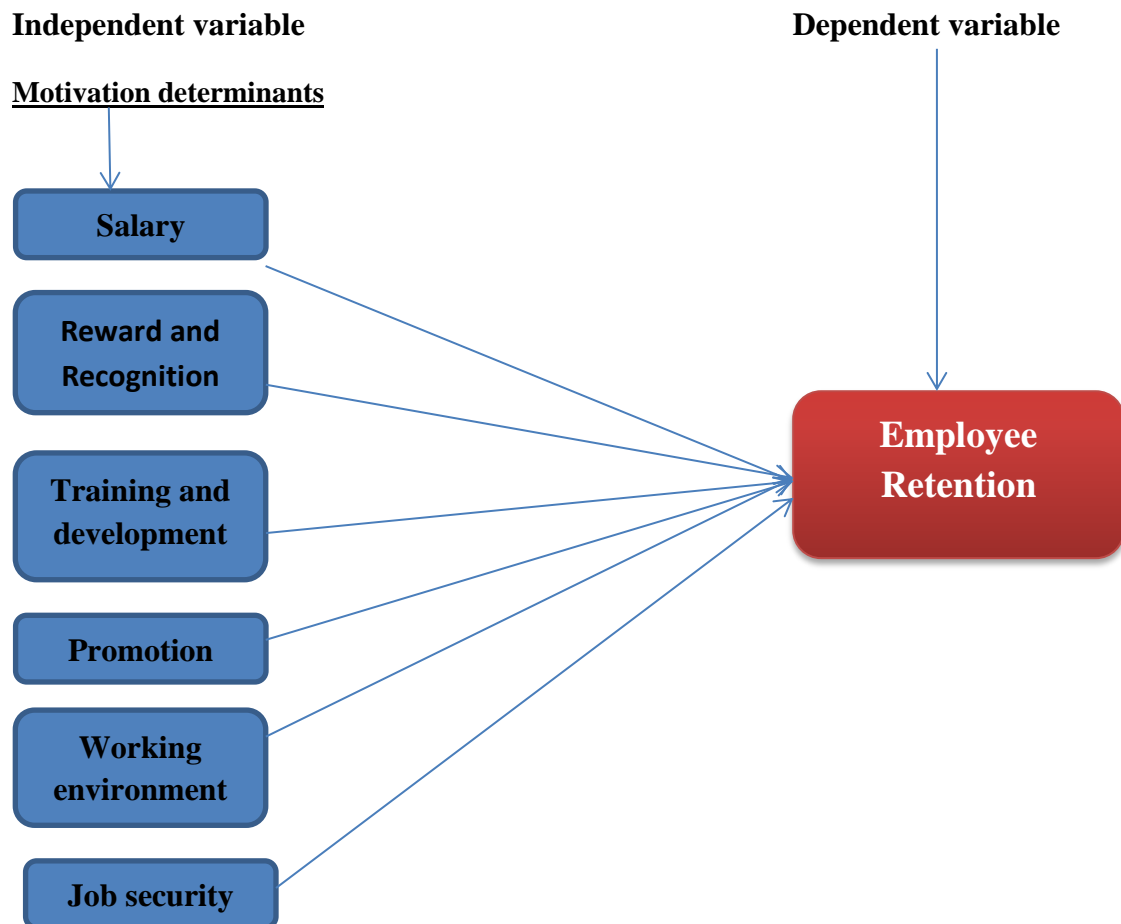
Commercial Bank of Ethiopia is using several approaches in order to motivate and maintain employees. Unfortunately, a gap still persists in establishing the effects of motivation on employee retention. Therefore, the baseline of this study is required to investigate what and how employee motivation is contributing to employee retention in Commercial Bank of Ethiopia, particularly in Kolfe Keraniyo Addis district city branches.

As far as my reading concerns there is no prequel literature or research conducted on the effects of motivation on employee performance in commercial bank of Ethiopia. In other words, no major assessment has been made on effects of motivation on employee retention in commercial bank of Ethiopia Kolfe Keraniyo district branches. In addition, in my preliminary observation commercial bank of Ethiopia is playing significant role by creating job opportunity for many employees and maintaining the economy of the country. However, regarding the effects of employee motivation empirical studies fail to investigate by taking commercial bank of Ethiopia as a case study. Therefore, in this study, the researcher will try to fill this gap through assessing the effects of motivation on employee retention in commercial bank of Ethiopia.

2.8 Conceptual Framework

On the premise that individuals perform successfully and favorably when given the chance and the correct stimuli, several motivation theories are developed. People can be motivated by more than simply money and rewards, according to observation. Additionally, they require acknowledgement, participation, empowerment, supervision, excellent leadership, and the chance for personal and professional advancement. What motivates people determines their behavior. Due to this, if two persons doing the same work are given the same circumstances of employment, one of them may be unsatisfied and quit the company, but the other will be

Figure 1 conceptual framework



Source: own survey (2023)

CHAPTER THREE: RESEARCH METHODOLOGY

3. Introduction

It is essential for research project to use appropriate data gathering and analysis techniques that accurately reflect the subject matter and component being studied. This study investigates how motivation affects CBE staff retention.

Therefore, this chapter describes the many instruments, methods, and processes that were employed to collect data for the study. The demographic, sample size and sampling methodology, data gathering methods, and data analysis tools were all thoroughly examined.

3.1 Description of the Study Area

The State Bank of Ethiopia was founded in 1942, and that is when the Commercial Bank of Ethiopia (CBE) began. In 1963, CBE was formally incorporated as a share company. Since then, it has played a crucial part in the nation's growth. Currently, CBE has more than 37.9 million account holders in its more than 1900 branches, and more than 6.6 million and 37k users, respectively, utilize its mobile and internet banking services. City and suburban branches of this bank are available. However, the scope of this study was restricted to Addis Ababa's Kolfe Keraniyo district and its municipal branches. There are 56 branches under kolfe keraniyo district which are located in kolfe keraniyo and Addis Ketema sub city. There are almost above 900 employees in this district.

3.2 Study Design

Study design, according to Chopra et al. (2012), is the conceptual framework through which the study is carried out. They made it clear that a study design is an arrangement of parameters for data collecting and analysis with the intention of combining relevance to the goal of the research while using efficient methods. The organization for a specific declaration of aims and reasons is, thus, a research design. The study design used in this research was descriptive and explanatory research design. To find and document connections between various components of the

phenomena under study, an explanatory and descriptive study is done (Firebaugh, 2008). It aims to clarify, comprehend, and forecast the causal link between the factors motivation independent variables and employee retention dependent variables between those two groups of variables. The study's primary goal was to determine how Commercial Bank of Ethiopia's motivating techniques affects staff retention; it is explanatory in nature. In order to describe the link between employee motivating elements and the employee retention system, an explanatory and descriptive study methodology was selected. The purpose of explanatory study was to look into the causes or mechanisms behind the phenomena. As a result, this kind of study frequently constitutes the initial phase of the research process and provides a foundation for further research. Even though your issue is frequently the subject of data, it's conceivable that the specific causal link you are interested in has not received enough attention from researchers.

3.3 Study Research Approach

An approach to quantitative and qualitative research was applied for this study. Research that uses empirical evaluations to achieve research objectives is referred to as quantitative business research. It combines mathematical calculations and analytical techniques (Zikmund, 2010). The researcher employed a quantitative research design using a questionnaire survey approach to collect perceptions of the factors of employee motivation at Commercial Bank of Ethiopia in order to accomplish the study objectives and seek answers to the fundamental research questions. The study is based on quantitative and qualitative research technique, which may assist to examine, identify, define, and measure the motivating impacts on employee's retention, CBE Kolfe Keraniyo Addis Abeba district, in order to validate the purpose of this research.

3.4 Sources of Data

This study took into account both primary and secondary sources of data as important data sources. The study employed questionnaires to collect primary data. An example of a research instrument that is used to gather data from respondents by asking them a series of questions is a questionnaire. Questionnaires can be considered a form of written interview. They can be carried out verbally, on the phone, online, or through the mail. A quick, simple, and inexpensive method

for gathering a lot of data from a large sample of people is the use of questionnaires. McLeod, Saul (2021).

There were two sections to the questionnaire. Information on the respondents' demographics and profiles is included in the first section, whereas the questions in the second section will be used to assess the effectiveness of motivating techniques using a 5-point Likert scale. Finally, inquire as to how motivating elements affect employee retention.

In this study, secondary materials such CBE office publications, books, journals, published and/or unpublished research papers, and statistics documents will be used. In order to handle all components and variables in the quantitative instrument, the study were employed both quantitative and qualitative instrument.

To establish appropriate rapport and get better replies from people who struggle to comprehend English, the questionnaire were created and given to CBE workers in both English and Amharic. Additionally, the majority of the questionnaire's questions will be taken directly from other sources.

3.5 Target Population

There are just nine of the 56 branches in Addis Ababa, kolfe keraniyo area that were chosen. The study's target demographic consists of professional staff, office support personnel, managerial staff, and janitors. Since the chosen 9 branches locations are close enough to the researcher's location, the researcher chooses the target population at random in order to get more data. All categories of Bank workers were covered by this study. The following table 3.1 illustrates this:

Table3.1 target population

No	Branch	No of population
1	Bethel	39
2	Alem bank	34
3	Sefere eyor	32
4	Weyira	27
5	Keraniyo	28
6	Betel Mikael	22
7	Weyira sefer adebabay	14
8	Torhayiloch	21
9	Tekewa	12
	Total	229

Source: CBE (2023)

3.6 Sampling Size and Technique

The samples were chosen using the stratified random sampling approach with proportionate sampling determination, the sample size calculation algorithm proposed by Solvin in 1967, and Taro Yamane. Stratified random sampling is advised by (Kothari, 2004) because it is precise, simple to use, can be divided into pertinent strata, and improves comparability, hence improving representation across strata. The population divided into strata for the study. The respondents for the research were chosen using simple random selection from each stratum.

Based on (Taro Yamane, 1967), Solvin's sample size determination formula can get a grand total sample of 146, at 95 % confidence level and 0.05 precision levels.

$n = N$ where: n = required number of samples

$(1+Ne^2)$ e = margin of error = 5%

N = total population

$N = 229$

$(1+229(0.05)^2)$

$N = 145.625 \sim 146$

Table3.0.2 Proportionate Sampling Determination

No	Branch	Sample size	
		Total No of Employees	Proportionate
1	Bethel	39	$[(39/229) \times 146] = 25$
2	Alem bank	34	$[(34/229) \times 146] = 22$
3	Sefere eyor	32	$[(32/229) \times 146] = 20$
4	Weyira	27	$[(27/229) \times 146] = 17$
5	Keraniyo	28	$[(28/229) \times 146] = 18$
6	Betel Mikael	22	$[(22/229) \times 146] = 14$
7	Weyira sefer adebabay	14	$[(14/229) \times 146] = 9$
8	Torhayiloch	21	$[(21/229) \times 146] = 13$
9	Tekewa	12	$[(12/229) \times 146] = 8$
	Total	229	146

Source: own survey (2023)

3.7 Data collection tools

Both primary and secondary sources of data were employed in the study. A Likert-scale with five points was used to gather the data. Respondents received questionnaires in person, along with tight supervision, guidance, and instructions for filling them out. The bank's HR manager also conducted interviews using this method. The data obtained from interviews was utilized to cross-check the data obtained from questionnaires.

In order to clearly and substantiate the result from the primary data, secondary data was gathered from published literature, documents of the Commercial Bank of Ethiopia on this subject, journal articles, case studies and reports, and research papers available on employee development programs that have an impact on employee retention.

Pilot testing

The gathering of data is a crucial component of study design. The way data is gathered has a direct impact on the validity of the study. The researcher used questionnaires as a method of collecting primary data. 5 questionnaires were delivered as part of a pilot study to assess the validity, and the results were gathered. Before distributing the questionnaire to respondents, the questions were modified in light of the feedback received. The most popular technique for acquiring data is the questionnaire since it can be used to contact more individuals, including those who are far away, for less money.

3.8 Methods of data analysis

After the relevant data is gathered, it is subjected to the appropriate data processing, including editing, coding, and quantification. Through the use of descriptive statistics like mean and standard deviation for quantitative data while content analysis was used to analyze the qualitative data, the data analysis task was completed.

Statistical Package for Social Science (SPSS) version 24 was used to analyze and show the data as diagrams, charts, and tables. Descriptive arithmetic means of constructs were among the

statistical techniques used to examine the impact of the independent factors on the dependent variables.

3.9 Validity and Reliability

Validity is the degree to which a concept may be precisely measured in a quantitative study. The capacity to infer test results from the concept being studied from test outcomes is known as construct validity (Roberta & Alison, 2015). As a result, the researcher made an effort to look through many academic works and choose sustainability criteria and their measurement. A few of the variables, for example, were derived from (Abera, 2012; Ugwushi, 2009; Mulugeta, 2014).

Validity and reliability are related concepts. This is supported by the idea that a measurement cannot be considered valid unless it can be relied upon (Sullivan & Feldman, 1979). Internal consistency is evaluated using the following metrics: item-to-total correlation, split-half reliability, Kuder-Richardson coefficient, and Cronbach's alpha (Roberta & Alison, 2015). Cronbach's alpha, the most used test to evaluate an instrument's internal consistency, was used to verify reliability in this test. Based on Roberta and Alison, the Cronbach's alpha result ranges from 0 to 1. A reliability rating of 0.7 or above is regarded as acceptable. According to the validity and dependability of the instruments identified in this study, these survey questions can be used in their entirety in this bank.

Table 3.3 reliability test

	Chronbach's alpha	Number of items
Salary	.714	4
Reward and recognition	.823	5
Training and development	.726	4
Promotion	.799	5
Working environment	.845	4
Job security	.784	5

3.10 Ethical Considerations

The researcher explicitly considered ethical considerations while gaining consent, avoiding deceit, maintaining confidentiality, respecting the privacy of all respondents, and safeguarding their anonymity. The researcher clarified the study's objectives to participants before starting the research. A researcher must take these factors into account because it is against the law to conduct a study without the participants' agreement under research ethics laws.

CHAPTER FOUR: RESULT AND DISCUSSION

This chapter covers the study's findings as outlined in the research methodology as well as presentations, discussions, and interpretations of the data gathered through questionnaire analysis. The study focused on 146 CBE workers in the kolfe keraniyo area of Addis Abeba. From inside

Of these, 136 were successfully completed and recovered, yielding a 93% response rate. This response rate was great and in line with the argument made by Mugenda & Mugenda (2003) that a response rate of 70% or more is excellent and that a response rate of 50% or less should be considered appropriate for generalizing findings to the entire population.

The data were analyzed using descriptive statistics like mean and standard deviation. Version 24 of the statistical software for social sciences (SPSS) was used to analyze the data, and the results are shown below.

4.1 Demographic Composition of Respondents

The gender information of the respondents who took part in the study was sought for and acquired by the researcher. Men and women work at CBE in a variety of capacities. Their engagement does not, however, represent an equal amount.

Table4.0.1Demographic composition of respondents

		Frequency	Percent	Valid percent	Cumulative percent
Gender	Male	66	48.5	48.5	48.5
	Female	70	51.5	51.5	100
Age	Less than 25	16	11.8	11.8	11.8
	25-35	80	58.8	58.8	70.6
	35-45	35	25.7	25.7	96.3
	>45	5	3.7	3.7	100
Level of education	No formal education	5	3.7	3.7	3.7
	Diploma	9	6.6	6.6	10.3
	Degree	92	67.6	67.6	77.9
	MA/MSc	30	22.1	22.1	100
Experience	<3 years	50	36.8	36.8	36.8
	4-9	65	47.8	47.8	84.6
	10-15	15	11.0	11.0	95.6
	Above 15 years	6	4.4	4.4	100
Branch	Bethel	23	16.9	16.9	16.9
	Alem bank	21	15.4	15.4	32.4
	Sefere eyor	18	13.2	13.2	45.6
	Keraniyo	17	12.5	12.5	58.1
	Bethel Mikael	13	9.6	9.6	67.6
	Weyra sefer	8	5.9	5.9	73.5

	adebaby				
	Torhayloch	12	8.8	8.8	82.4
	Weyra	16	11.8	11.8	94.1
	Teqwa	8	5.9	5.9	100

Source: own survey (2023)

Table 4.1 indicates that 54.47% of the sample as a whole is made up of women, while 48.53% is made up of men. These indicate that women make up the majority of CBE employees in the kolfe keraniyo district area.

Table 4.1 displays the age makeup of the respondents. It is evident that the bulk of the sampled respondents, or 58.62 percent of the total number of respondents, are in the 25–35 age range. The proportion of people "between" the ages of less than 25, 35–45, and above 46 is 11.76%, 25.74%, and 3.68%, in that order. Because they are in adulthood and will soon have numerous obligations, the majority of responders are between the ages of 25 and 35. They are prepared to act in a comfortable position and are part of the active workforce. Furthermore, kids belong to the age group that is supposed to be adaptable and observant to their surroundings.

The educational background of the sample respondents is shown in table 4.1 below, where 22.06% of respondents possess an MA or MSc and 67.65 of respondents hold a degree. Those with diplomas make up 6.62% of the sample, while those without a formal education make up 3.68%. These figures show that the company's knowledgeable work groups are in charge. A little over 47.79% of respondents have worked for CBE for four to nine years, while 36.76% have done so for less than three years. The remaining 11.03% and 4.41% have worked for CBE for ten to fifteen years and more, respectively.

The majority of responders, or 16%, 15.44%, 13.24%, and 12.50% of the total, come from the Bethel, Alem Bank, Sefere Eyor, and Keraniyo branches, according to table 4.1 below. The other responses, with scores of 11.76%, 9.56%, 8.82%, 5.88%, and 5.88%, respectively, are from Bethel Michael, Weyra Sefer Adebabay, Torhayloch, Weyra, and Teqwa.

4.2 Result of Descriptive analysis

This section presents the opinions and level of agreement of the respondents about the impact of motivation on employee retention. The respondents' mean scores were utilized to interpret the data. A mean score of 3.80 or more is regarded as high, 3.40 to 3.79 as moderate, and lower 3.39 regarded as inadequate (Akmaliah, 2009).

The sample of CBE workers who responded provided the mean and standard deviation values that are displayed in the following tables.

Table 4.0.2 level of respondents’ opinion on salary, reward and recognition and training and development

Descriptive statistics			
Description	Statement	Mean	St. Deviation
Salary	Our organization follows the policy of matching pay with Performance	3.16	1.16
	The pay we receive is competitive compared to that of Employees doing similar work in other organizations.	3.19	1.085
	We are satisfied with the benefits we receive.	3.52	0.544
	The benefits we receive in our organization are similar to what most of the other organizations in the industry provide to their employees	3.49	0.730
	Grand Mean	3.34	1.186
Reward and Recognition	My contribution is fully recognized	3.47	0.570
	I receive constructive feedback about my work	3.75	0.850
	My supervisor praises when I achieve good performance	3.54	0.705
	Rewards and incentives are fairly distributed in our Organization.	3.29	0.728
	Rewards in our organization are strictly linked to employee Performance.	3.45	0.672
	Grand Mean	3.5	1.418
Training and Development	Employees are properly trained upon joining the Bank	3.74	0.691
	The Bank provides opportunities for career development	3.62	0.746
	There are an opportunities for continued education in the Bank	3.39	0.489
	I have received sufficient training to do my job effectively	3.32	0.582
	Grand Mean	3.51	1.114

Source: own survey (2023)

The average opinion level of respondents about the availability of a satisfying salary in the bank is low, as indicated by table 4.2 above. However, there was only a moderate amount of compensation, recognition, and training and development available. These variables have respective means of 3.34, 3.5, and 3.51.

Table 4.0.3 level of respondents' opinion on promotion, working environment and job security

Descriptive statistics			
Description	Statement	Mean	St. Deviation
promotion	I have an opportunity for promotion in this Bank	3.19	0.609
	The promotion paths are clearly stated and communicated	3.14	0.856
	I will be promoted within the next two years	3.43	0.884
	The promotion procedure is acceptable and impartial	3.04	0.788
	Staffs are promoted in a fair and transparent way	3.23	0.749
	Grand Mean	3.20	1.486
Working environment	Work station of CBE is comfortable	3.75	0.795
	I am provided with the necessary work materials, tools and equipment.	3.84	0.832
	General cleanness of work environment CBE is satisfactory	3.76	1.003
	At CBE people with disability can access facilities easily.	3.78	0.868
	Grand Mean	3.78	1.605
Job security	We do not work under the threat of losing our jobs.	3.85	0.788
	Continuous efforts are made in our organization to create a sense of belonging among employees and feel like a member of the Corporate family	3.42	0.964
	Management identifying employee problems and helping solve them.	3.335	0.865
	There is fairness, transparency and equitability of management during decision making	3.46	0.885
	Grand Mean	3.52	1.591

Source: own survey (2023)

The average degree of respondents' opinions on availability and job security was moderate, as seen in table 4.3 above. The majority of respondents had negative (low) opinions on promotions. Nonetheless, the degree of pleasure that CBE staff members had with their working environment was nearly high.

Table 4.0.4 level of respondent's opinion on retention factors

Descriptive statistics				
No	Statement	N	Mean	Standard deviation
15	Supervisors sit down with employees and discuss their development plans.	136	3.49	0.688
16	Employees are often given the opportunity to be part of task groups and assignments outside their core job responsibilities.	136	3.57	0.593
17	Management communicates effectively with employees.	136	3.46	0.543
18	There is an environment of openness and trust in the bank.	136	3.38	0.583
19	Employees in the bank are treated with fairness and respect.	136	3.67	0.597
20	Supervisors have a style that empowers people to take responsibility and authority.	136	3.43	0.714
21	The bank has a career development program that helps employees become more aware of and responsible for their own career development.	136	3.79	0.744
22	Management spends a good deal of time listening to employees' ideas.	136	3.30	0.953

Source: own survey (2023)

As shown in table 4.4 respondents moderately agreed on the first three retention factors (Supervisors sit down with employees and discuss their development plans, Employees are often given the opportunity to be part of task groups and assignments outside their core job responsibilities and, Management communicates effectively with employees) and also respondents are moderately agreed on the bank has a career development program that helps employees become more aware of and responsible for their own career development, Supervisors have a style that empowers people to take responsibility and authority and Employees in the bank are treated with fairness and respect. However, on the other retention factors (There is an environment of openness and trust in the bank, and Management spends a good deal of time

listening to employees' ideas) respondents' agreement level was low. However, on the other retention factors (There is an environment of openness and trust in the bank, and Management spends a good deal of time listening to employees' ideas) respondents' agreement level was low.

4.3 Data Analysis Using Inferential Statistics

4.3.1 Correlation Analysis

The existence of a link or degree of correspondence between variables is known as correlation. According to Robert B. and Richard A. (2008), a correlation just shows that two variables are related; it does not suggest that one variable is the cause of the other.

		Salary	Reward & recognition	Training & development	Promotion	Working environment	Job security	Retention factor
Salary	Pearson correlation	1	.076	.003	.107	.159	.006	.038
	Sig. (1-tailed)		.000	.000	.000	.000	.000	.000
	N	136	136	136	136	136	136	136
Reward & recognition	Pearson correlation	.076	1	.045	.093	.093	.162	.056
	Sig. (1-tailed)	.000		.000	.000	.000	.000	.000
	N	136	136	136	136	136	136	136
Training & development	Pearson correlation	.003	.045	1	.058	.028	.038	.027
	Sig. (1-tailed)	.000	.000		.000	.000	.000	.000
	N	136	136	136	136	136	136	136
Promotion	Pearson correlation	.107	.093	.058	1	.061	.081	.052
	Sig. (1-tailed)	.000	.000	.000	.000		.000	.000
	N	136	136	136	136	136	136	136
Working environment	Pearson correlation	.159	.093	.028	.061	1	.079	.089
	Sig. (1-tailed)	.000	.000	.000	.000		.000	.000
	N	136	136	136	136	136	136	136
Job security	Pearson correlation	.006	.162	.038	.081	.079	1	.166
	Sig. (1-tailed)	.000	.000	.000	.000	.000		.000
	N	136	136	136	136	136	136	136
Retention factor	Pearson correlation	.038	.056	.027	.052	.089	.166	1
	Sig. (1-tailed)	.000	.000	.000	.000	.000	.000	
	N	136	136	136	136	136	136	136

Table4.0.5 correlation analysis

Source: own survey (2023)

The results of the statistical test for the correlation between the independent and dependent variables are shown in Table 4.5. In light of this, the correlation matrix table demonstrates that, with a correlation coefficient of 0.038 at $p < 0.05$, 0.056 at $p < 0.05$, and 0.027 at $p < 0.05$, respectively, employee retention was connected with salary, reward & recognition, and training & development.

A connection of (0.052, $p < 0.05$) was found between promotion and employee retention, (0.089, $p < 0.05$) was found between work environment and employee retention, and (0.166, $p < 0.05$) was found between job security and employee retention. As a result, it is easy to comprehend that there is a positive and statistically significant link between the dependent and independent variables, as shown by the Pearson correlation coefficient of the independent and dependent variables in table 4.5.

4.3.2 Regression Analysis

When one of the independent variables is changed while the other independent variables are kept constant, regression analysis enables one to figure out how the usual value of the dependent variable changes. Regression analysis is utilized in this study to determine how motivating practices affect employee retention.

Table 4.0.6 Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error Of The Estimate
1	.756 ^a	.571	.566	.765

a. Predictors: (Constant), salary, reward and recognition, training and development, promotion, working environment, job security

b. Dependent variable: retention factor

Source: own survey (2023)

The table illustrates a statistically significant and positive correlation between the dependent variable (employee retention) and the independent variables (salary, reward & recognition, training & development, promotion, work environment, and job security). Therefore, the independent factors account for 57% ($R^2 = .571$) of the variation in employee retention.

Since the six variables account for 56% of the variation in the dependent variable, there are likely other factors to take into consideration that also affect employee retention but are not included in the model. The adjusted R Square may provide a more accurate estimate of the amount of variance in employee retention that is explained by the salary, reward & recognition, training & development, promotion, working environment, and job security.

Table 4.7 regression coefficient

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.276	2.273		9.801	.000
	Salary	.062	.280	.02	.223	.024
	Reward and recognition	0.067	0.29	.021	.232	.017
	Training & development	0.099	.319	.027	.311	.041
	Promotion	0.145	.309	.041	.471	.039
	Working environment	0.178	.208	.075	.853	.025
	Job security	0.523	.303	.152	.725	.034
a. Dependent variable retention factor						

Source: own survey (2023)

When we see direction and significance relationship of independent variables to dependent variable sustainability, all variables have positive and statistically significant relationship with the dependent variable; salary ($\beta = .062$, $p = .024$), reward and recognition ($\beta = .067$, $p = .017$), training and development ($\beta = .099$, $p = .041$) and promotion ($\beta = .145$, $p = .039$), working environment ($\beta = .178$, $p = .025$) and job security ($\beta = .523$, $p = .034$).

The coefficient table for employee retention indicates the beta values of the independent variables.

Table 4.8 ANOVA table

ANOVA ^a

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	284.165	4	71.041	121.371	.000 ^b
	Residual	213.643	365	.585		
	Total	497.808	369			

a. Dependent Variable: retention factor

b. Predictors: (Constant), salary, reward and recognition, training and development, promotion, working environment, job security

(Source: own survey 2020)

Result of this ANOVA table shows that the value of F statistics 121.371 at 4 and 365 degrees of freedom is statistically significant at 95% confidence which means that model is statistically significant.

4.3.3 Hypothesis testing result

Based on the above regression analysis result, summary of hypothesis testing is drawn.

Table 4.9 Hypothesis summary

	Hypothesis	Result
Ha1.	There is positive and statistically significant relationship between salary and employee retention	Accept
Ha2.	There is positive and statistically significant relationship between reward and recognition and employee retention	Accept
Ha3.	There is positive and statistically significant relationship between training and development and employee retention	Accept
Ha4.	There is positive and statistically significant relationship between promotion and employee retention	Accept
Ha5.	There is positive and statistically significant relationship between working environment and employee retention	Accept
Ha6.	There is positive and statistically significant relationship between job security and employee retention	Accept

Source: own survey (2023)

Finally the study sought majority of the respondents 51.4% of the respondents believe that motivational factors used by CBE can retain employees and the rest 48.6% of the respondents believe that the motivational factors are not adequate to retain employees and they suggest some financial and non-financial factors such as factors that are discussed in this study.

CHAPTER FIVE: SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.1 Summary of major findings and discussion

When we look at the employee demographics, we find that the majority of them 58.82% of the population is under the age 35. This suggests that a sizable portion of CBE's workforce is young. The proportion of male and female employees at CBE is about equal. This demonstrates that CBE respects gender parity when hiring new staff members. Regarding educational background, 47.79% of bank workers have worked for the company for four to nine years, and 67.65% of employees possess a degree higher than a first degree. This suggests that the bank has knowledgeable and skilled employees, making it competitive in the market.

Respondents' average level of satisfaction with regard to motivational factors was low (3.34 and 3.20) with regard to salary and promotion, but almost high (3.78) with regard to working environment. The average level of respondents' opinions regarding availability of training and development, reward and recognition, and job security was 3.51, 3.50, and 3.52, which is moderate.

The average degree of agreement among respondents about retention elements was moderate for plan development, authority and responsibility sharing, management communication with staff, fairness and respect, and career development program (3.49, 3.57, 3.46, 3.67, and 3.79) correspondingly. Regarding openness and trust as well as listening to employees' views, respondents' levels of agreement were low (3.38 and 3.31, respectively).

The Pearson's Product Moment Correlation Coefficient results showed that job security and employee retention, training and development and employee retention, and reward and recognition and employee retention all had statistically significant and favorable relationships. At 99% confidence level, the following relationships are statistically significant: compensation and employee retention, promotion and employee retention, and working environment and employee retention.

According to the regression analysis model summary, the liner combination of motivation factors together account for 57.1% of the variation in employee retention (based on R2 value), which is statistically significant at 99% confidence level based on the F-statistic. Furthermore, all of the explanatory factors are statistically significant at 99% confidence level when the other variables are taken into account.

The benefit of CBE's effective employee retention strategy is that the majority of human resource management officials and employees believe that there is a direct correlation between employee retention and organizational success. They also believe that the consistent achievement and success of Commercial Bank of Ethiopia is dependent on the strategy.

Organizations founded with a specific goal in mind. Every organization has goals that need to be accomplished within a certain amount of time and resources. Among organizational resources, the most crucial component for the organization's success is trained and competent labor.

5.2 Conclusions

The study's primary conclusions have been outlined in this section in accordance with its goals. This study set out to investigate the impact of motivating practices on staff retention. The majority of the variables suggested a favorable appraisal of the concerns, as shown by the findings, based on the examination of descriptive statistical values of the mean and standard deviation. Only a small number of factors had lower employee satisfaction ratings. The discovery leads to the following deductions:

Accordingly,

- Based on the results, it is feasible to draw the conclusion that Commercial Bank of Ethiopia has a competitive employee retention strategy that has improved work satisfaction for staff members. Commercial Bank of Ethiopia is good in implementing its employee retention strategy. Owing to the retention strategy's successful execution, CBE was able to please its staff and keep them on board for an extended amount of time.
- This study investigated the potential benefits of job security, reward and recognition, and training and development for retaining staff members. The working atmosphere has a positive impact on retaining employees.

- This study investigated the potential benefits of job security, reward and recognition, and training and development for retaining staff members. The working atmosphere has a positive impact on retaining employees.
- The majority of retention factors; plan development, delegation of authority and responsibility, management communication with employees, fairness and respect, and career development program were moderately agreed upon by CBE employees, except openness & trust and listening employees' ideas; this show the organization lack openness & trust and a good deal of listening employees' ideas.
- The correlation study results also show a favorable association between employee retention and all motivating elements. This result is consistent with the theoretical frameworks. This indicates that the availability and appropriate use of motivating elements will encourage employees to stay, hence increasing the degree of employee retention in CBE.

5.3 Recommendation

The key results and conclusions of this study have led to the recommendation of the following actions.

- The Commercial Bank of Ethiopia needs to be conscious of the rivalry that exists nowadays among multiple organizations, especially private banks, for competent and talented labor. As a result, it should put a lot of effort into developing retention strategies like encouraging staff members to participate in organizational decision-making, offering promotions, rewarding and recognizing staff members based on their performance, offering a clear path for career advancement, aiming to provide all staff members with equal access to quality training and development programs, etc.
- To keep a healthy workforce, all employees should have equal and transparent opportunities for promotion. According to the study's findings, the CBE is unclear and does not provide fair opportunities for advancement, which is a major factor in the discontent among employees and higher employee turnover. Therefore, in order to lower turnover, CBE must assess its marketing process and create a fair, equitable, and

consistent promotional package. To preserve clarity, I advise basing promotions on a person's year of service, academic standing, and performance evaluation.

- To retain staff, CBE should foster an atmosphere of open communication and trust in addition to allocating a significant amount of time to listening to employee suggestions.
- Giving workers a voice in organizational decision-making is important since it has a direct impact on employee retention. The management of CBE should have appropriate procedures for taking into account the needs of all employees collectively, promptly answering their questions, holding regular meetings with them, addressing their demands during management meetings, and incorporating their various points of view into the organization's strategic plan.

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QUESTIONNAIRE
ST. MARY'S UNIVERSITY
MBA PROGRAM
SECTION 1: INTRODUCTION

Dear respondents,

I am a graduate student in the school of business administration at ST. MARY'S UNIVERSITY. The purpose of this questionnaire is to collect information on *“effect of motivational practices on employee retention in the case of Commercial Bank.”* The information that you share me will be kept confidential and only used for academic purpose and cannot affect you in any case. So, your genuine, honest and timely response is vital for accomplishment of this study on time. Therefore, I kindly ask you to give your response to each items/questions carefully.

Sincerely,

Dagmawi Mesfin

Instructions

- No need of writing your name.
- For multiple choice questions indicate (√) sign in the appropriate block.
- For Likert scale type statements mark (√) sign only once for the given variables depending on your level of agreement.

SECTION 2: GENERAL INFORMATION OF THE PARTICIPANTS

1. Sex: A. Male B. Female
2. Age: A. less than 25 B. 25-35 C. 35-45 years D. above 46
3. Level of Education: A. No formal education B. Diploma C. Degree
D. MA/MSc E. PHD F. above PHD
4. Time of employment (Service Years in CBE)
A. Less than 3 years B. 4-9 years C. 10-15years D. Above 15 years
5. Place of Assignment (Branch) A. Bethel B. Alem bank C. sefere eyor

D. keraniyo E. Bethel Michael F. Weyra sefer adebabay G. Torhayloch
H. Weyra I. Teqwa

SECTION 3: QUESTIONS RELATED TO EMPLOYEE MOTIVATIONAL PRACTICES

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

	Motivational factors	1	2	3	4	5
	Salary					
1.	Our organization follows the policy of matching pay with Performance					
2.	The pay we receive is competitive compared to that of Employees doing similar work in other organizations.					
3.	We are satisfied with the benefits we receive.					
4.	The benefits we receive in our organization are similar to what most of the other organizations in the industry provide to their employees					

	Reward and Recognition				
1.	My contribution is fully recognized				
2.	I receive constructive feedback about my work				
3.	My supervisor praises when I achieve good performance				
4.	Rewards and incentives are fairly distributed in our Organization.				
5.	Rewards in our organization are strictly linked to employee Performance.				
	Training and Development				
1.	Employees are properly trained upon joining the Bank				
2.	The Bank provides opportunities for career development				
3.	There are an opportunities for continued education in the Bank				
4.	I have received sufficient training to do my job effectively				
	Promotion				
1.	I have an opportunity for promotion in this Bank				
2.	The promotion paths are clearly stated and communicated				
3.	I will be promoted within the next two years				

4.	The promotion procedure is acceptable and impartial					
5.	Staffs are promoted in a fair and transparent way					
Working environment						
1.	Work station of CBE is comfortable					
2.	I am provided with the necessary work materials, tools and equipment.					
3.	General cleanness of work environment CBE is satisfactory					
4.	At CBE people with disability can access facilities easily.					
Job security						
1.	We do not work under the threat of losing our jobs.					
2.	Continuous efforts are made in our organization to create a sense of belonging among employees and feel like a member of the Corporate family.					
3.	Management identifying employee problems and helping solve them.					
4.	There is fairness, transparency and equitability of management during decision making					

SECTION 4: QUESTIONS RELATED TO RETENTION FACTORS

Please rate the following statements on a scale of 1 to 5, where 1 = strongly disagree 2= disagree
3= neutral 4= agree and 5 = strongly agree.

No	Retention factors					
1.	Supervisors sit down with employees and discuss their development plans.					
2.	Employees are often given the opportunity to be part of task groups and assignments outside their core job responsibilities.					
3.	Management communicates effectively with employees.					
4.	There is an environment of openness and trust in the bank.					
5.	Employees in the bank are treated with fairness and respect.					
6.	Supervisors have a style that empowers people to take responsibility and authority.					
7.	The bank has a career development program that helps employees become more aware of and responsible for their own career development.					
8.	Management spends a good deal of time listening to employees' ideas.					

9. Do you think motivational factors used by your bank can retain employees?
