# Antecedents of Employee Retention in Aga Khan Education Service, Afghanistan.

By

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**Declaration of Authorship** 

I hereby, declare that the Master by Research thesis entitled "Factors effecting on employee

retention for a long run in the organization" of the requirements for the Degree of Master of

Business Administration (MBA) to Kardan University, this is my original work and not submitted

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## **Acknowledgment** (optional)

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All respect and love to him who is an everlasting model of guidance for humanity as a whole. I would like to express the deepest appreciation to the leadership and lecturers of Kardan University, who encouraged me in writing my thesis on [Factors effecting on employee retention for a long run in the organization] with the attitude and the substance of a genius, they continually and convincingly conveyed a spirit of adventure accordingly. Besides, a thank to Dr. Mohammad Tahir who help and support me in academic writing, and whose enthusiasm for the underlying structure has a lasting effect. I thank the University of Kardan for permission to include copyright pictures as a part of my thesis. I thanks the AKES for financial support and encouragement that allowed me to complete my research in this organization. Finally, a special thanks to my family for all support, contribution, encouragement, and inspiration that qualify me to be a good student in the master program.

#### **Abstract**

Employee retention is still a matter of issues in most of the public and private organizations around the world and many try to keep their employee to extend employee stay duration in the organization. The main objective of this research is to identify significant factors affecting employee retention for a long duration in the AKES, A by primarily focusing on the issues related to employee empowerment, employee training and development, employee career development, and employee compensation and benefits. This research analyzed the demographic characteristic to know the significant and positive effect on employee retention. The quality of service delivery of any organization depends on the present employee committed and talents.

The theoretical framework of the study identified four independent variables employee empowerment, employee training & development, career development, and compensation & benefits, the dependent variable identified employee retention. The demographic information such as gender, age, marital status, education level, job titles, stay in the current position, and time served in the organization of the respondent discussed in the study.

Empirical research has been conducted in the Aga Khan Education Service, Afghanistan (AKES, A) where both male and female employees participated in the survey, based on rando9m sampling techniques the administered questionnaire with close-ended answers shared with selected samples and accordingly the primary data gathered.

Regression analysis used in the study for testing the hypotheses and data normality, the analysis result indicates that the normality assumption is satisfied in the study, the R-value .597<sup>a</sup> shows that both dependent and independent variables are correlated, refer to R-square value .356 there is less variation between dependent and independent variables. The coefficient analysis showed that employee empowerment has negative and insignificant effects ( $\beta$ =-.008, P>.05); training and development has positive and significant effects ( $\beta$ =.135, P<.05); career development has positive but insignificant effects ( $\beta$ =.013, P>.05); and compensation and benefit has positive and significant effects ( $\beta$ =.238, P<.05) with employee retention.

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## **CHAPTER ONE**

## INTRODUCTION

## 1. Introduction:

Employee retention is playing a pivotal role in every organization to achieve organizational success and to lead the organization toward productivity and profitability. Employees are valuable assets for every company the organization must have the ability to retain their employees for long run based on different factors, the company needs to identify those important elements or factors that are having a positive effect on employee retention and accordingly establish rule and regulation for best practice of employee retention over time. Hiring and recruiting an employee will be easy but retaining them is challenging and difficult. The organization needs to invest more in employee retention factors to decrease the chances of employee leaving and simultaneously increase organization performance, productivity, profitability, and employee commitments.

The organization should create the environment in such a way that it gives employees a feeling of owns. It affects positively on employees behavior and organization turnover rate, training and development enhances employee's knowledge, builds their capacity, and increase performance quality. Proper compensation policy and practice in the organization motivate the employees to work with a high level of honesty and interest, it increases employee commitment and loyalty to bring positive change in the organization by sharing constructive ideas and feedback.

Employee retention is the source of sustainable development and organization growth but all these are possible when the organization or employers care about employees work-life balance, provide the long and short term development opportunities, give them chances of further promotion, provide them fringe benefits and increment and involve them in the decision-making process. In response, the employees fulfill organization expectations by good performances, commitment, loyalty, and knowledge sharing. When the organization focus more on employee affiliation and invest more on well-being. It brings efficiency at work, survives the business toward sustainable development, increases profitability index, increase organization reputation/image, creates a strong relationship with employees, decrease turnover rate, give a competitive advantage to the business, increase maker shares and sales ratio, lead the organization to achieve pre-defined goal and objective with the desired result. There will be no doubt that employees stay within the organization for a long time.

# 1.1. Background of Study

Hiring an employee is the beginning to create a powerful workforce but in the next step, you have to retain them, a high turnover rate of employees increases the cost to the business owner in time and productivity (The Wall Street Journal, 2008).

Employees are valuable assets for organization growth, development, and success. The stability of the company is depending on the performance of efficient employees and their expertise. Hiring and recruiting the right candidate is important but retaining them within the organization for a long duration is more important, for this reason, employers invest in employee training and development, but still, employee retention is a big issue for most private and public organizations (Smrutihara, 2013).

Employed management techniques refereed to all about employee retention to provide support to employees to stay in the organization for long-duration. Employee retention strategies adopted in such a way to give motivation to employees to stay with the organization for the maximum time and contribute effectively, efficient support must be provide to enhance employees knowledge for their current assignment and task, organizational success is depending on staffs motivation and positive employee retention (Management Study Guide, n.d). Some studies indicate that high employee turnover increases expenses and effect negatively on company morale, to make sure that valuable workers remain employed, job performance, and productivity maintained by implementing an effective employee retention program (Taylor, 2017).

Employee retention has become a major issue for the business recently, employees once well trained and they tend to join with other companies for a better position. Employees are looking for a high salary, a good environment, and comfortable timing; these are the important factors that push employees to look for the change, talents employee discusses his willingness frankly to move on. The human resource and management team are responsible to handle the situation by taking corrective action and finding main reasons lead to the decision (Ch. Anand, 2017)

According to research majority of employees leave the organization because of no change and negative behavior of their superiors or team members. Employee look for the change when there is low salary package, less chance of growth motivation, the management must concentrate more about valuable employee retention who are having an effective contribution to the system. This is

the responsibility of line manager to make sure that employees satisfied with their roles and every day offer them a new challenging job (Shanti, 2013). Comparatively less turnover research focused especially on how an individual decides to stay with the organization, the retention process should study effectively with the leaving process (Maertz & Campion 1998) cited by Bidisha & Mukulesh, (2013).

## 1.2. Problem Statement

Employee retention is playing a vital role in organization development, sustainable growth, and effect positively on overall organization performances. It is a big challenge for every organization to keep their employees loyal and commitment for a long duration, employees are valuable assets for the company, losing talent employee has a negative effect on organization productivity and compromising on employee retention increases expenses, to overcome on these issues and challenge the organization needs to identify retention factors.

## 1.3. Research Ouestion

How to extend employee retention duration in the organization?

- What are the effect of employee empowerment on employee retention?
- What are the effect of employee training and development on employee retention?
- What are the effect of employee career development on employee retention?
- What are the effect of employee compensation and benefits on employee retention?

# 1.4. Research objective

## **Main Objectives**

To know the factors that affect employee retention for the long run in the organization.

## **Sub Objectives**;

To understand whether employee empowerment affects employee retention in the organization.

To know how training and development extend employee retention within the organization.

To find out whether career development affects employee retention within the organization.

To determine whether compensation and benefit affects employee retention in the organization.

## 1.5. Significance of study

This study is important for AKES to address the issues that are related to employee retention factors and retention practices in the organization. if there is any gap it needs to be identified for the well-being of the organization, also this study can attract selected organization attention for reconsideration on their policy to improve employee retention practice in the organization to keep their employee loyal, motivate, and commitment for a long duration.

To understand the causes of employee leaving and to identify factors that affect employee retention and increase employee's interest to extend their stay more with the organization and find reasons behind the leaving of talented employees.

Importance to whom who will read this study is to know the effect and impact of employee retention factors that how organization threat their employee in the workplace or business, by reading this study he/she will understand the key factors and elements which are having a positive effect on employee retention.

By completing this research, it opens the window to conduct professional research in the future in different areas, it provides the most useful opportunity of learning to learn about my research (thesis), completion of this research can build my capacity, enhance knowledge, improve practical skills and help me in academic writing.

## 1.6. Organization of Study

This study has five chapters. Chapter one of the study deals with the introduction, objective, significance of the study, and statements of the problem, while chapter two deals with the literature review. Chapter Three describes the methodology used for the achievement of the results of this research. Chapter Four briefly discusses the results of the research and a descriptive presentation, analysis, and interpretation of the findings. Finally, chapter five concludes based on the finding of the analysis give some recommendations for the organization for the best employee retention practice.

#### **CHAPTER TWO**

## LITERATURE REVIEW

#### 2. Definition

Employee retention definition is referring to the ability and skills to keep talented and valuable employees in the organization and motivate them to stay for a long time in the organization as compared to the competitors (Johnson, 2000). It also stated that commitment to work in the organization or with a particular company in a continuous system (Zineldin, 2000). Besides that, employee retention referred to the practice of policy of a particular company or an organization adaptation for the prevention of leaving of employees, in a particular organization or company promotion should consider for employee sustaining for a long time (Hong, Hao, Kumar, Ramendran, & Kadiresan, 2012). The organization must try their level best to encourage employees to contribute effectively and dedicated to the organization or business (Kyi, 2011). Attracting talented employees and skilled workers are the most important challenge for the organization sustainable development, however, retaining the valuable employees will much better than cost-saving and will be more effective for the organization. It might be one of the problems for the organization to decrease the cost of retention that affect negatively on turnover as important factors of employees in a particular organization (Ahlrichs, 2000). The high cost of hiring of new staffs effect on the cost of training and increase the value of talented employee as the scarce resources of a company or organization.

Dictionary of Human resource and Personal Management has also defined employee retention as the process of keeping employees on the staff, and not giving the chance of leaving to employees to leave. The organization should create the environment by engaging employees and keeping them for a long duration.

Based on Chaminade (2007), there should be constant and durable relationships between employees and organization by common value. The way that organization responds to the needs of the employee, retention helps to prevent the loss of talented employees in the organization, it might affect positively and efficiently on employee performance, it enables the supervisor and line manager to attract and retain talented and high performer employees. This will be possible and achievable while the manager provides sufficient information about retention based organization policy and accordingly ensure that the organization goal and objective achieved.

Establishing of retention strategy means focusing on employee expectation and need at the center of the organization attention for long duration. In order to make sure that the professional satisfaction of employees meet by the agenda and create a trustable relationship, maintain that relationship, it gives free will opportunity to employees to make personal decisions to choose to stay with the organization. The organization should encourage good performers and talented employees to remain in the organization by creating retention policy and strategy, in such a way provide the opportunity to individuals to demonstrate their skills and make sure that they are adjusting with the system. The retention policy considered by Nyoka (2006) which includes strategies that will enable employees to make balance their work with the life expectancy of their family members through creating a friendly policy and work environment. Flexible work arrangement make arrangement and enable them to accommodate essential individuals commitments, by having an effective retention strategy the managers will be able to have control on the turnover rate.

# 2.1. Employee Retention

Studies results indicated that there is a high risk of turnover for every three months of the organization workforce and around 70% of them feel that they need to leave to build their career. Lack of opportunity cannot solve the problems through raising and discussion with line manager once in a while, the important factors of employee satisfaction and engagement is to make sure that work environment should provide a learning opportunity and give benefits to the employee to make them cherished and valued (HR Soft, 2017).

First of all line managers and HR departments need to understand the significant value of employee retention, no need to write the fact and figure that individuals can cost anywhere from 20% up to 200% of their annual salary (RH Soft, 2017).

Employees' morale can be increase by employee retention strategy, individuals will be happy with their task performance in the work environment and more likely to stay with the organization, and a positive work environment will be possible through the creation of employee retention strategy and make employees more committed to the organization.

Implementation of employee retention strategy can manage employee turnover and can attract qualified employees to the workforce, retention programs play a good role for management and workers. Recognition, benefits, compensation, and supportive program are the key indicators for a company to maintain employee retention, from the exit interview form HR specialist understand

the feedback receiving from employees and employee relation improve through focus groups and reduce turnover (HR Soft, 2017)

Organization productivity derived from the best practice of employee retention, hiring, and developing new employees takes time. Work is not getting done when a position is vacant, even if a position filled there is still learning gap majority of employee must overcome before their work give benefits for the company, to keep current worker satisfied there is need to take corrective action and make sure that productivity is considered and ensured (Mita, Aarti, & Reavneeta 2014). Employees' morale can be increase by employee retention strategy, employees have an interest in their task performance in the work environment and more likely to stay with the organization. The positive work environment will be possible through the creation of employee retention strategy, make employees more committed to the organization, strategy that targets employee engagement like the involvement of teams and individual increase company morale, and give employees sense of proud in their work (HR Soft, 2017).

In some cases, employees like to take all the strategies and policies from current organizations to the new one, peoples disclose important data and information to their new organization, and even leak secrets share confidential information. To prevent such event it's essential that new employee singe documents which prohibit them from disclosing on any information even if they leave the organization, tight policy need to be made to prevent employees to join the competitors, to retain employee this is an effective method.

The employee enjoy from any kind of organization benefits and they are more attracted to best doing, they are saying badly about their organization and most of the time think in favor of the management, they believe that organization comes first and other things come later. The management must know the difference between a valuable employee and those employees who do not contribute effectively to the organization, sincere try their level best to encourage the employees to stay and feel happy with the organization, and do not look for a change (HR Soft, 2017).

Human resource and line managers get pressure when turnover represented by high numbers, who always have to recruit and retain new employees. The high ratio of turnover is a great loss for any company, this is logical that the company invests a huge amount on employees, in response to having an expectation. If the employee leaves the organization in the early stage than the loss cannot be coverable, even some good organizations are not ready to leave their employees at the

last stage of their professional career at the time of retirement, such organization retain their employees with the advisory board with low work pressure. The study result indicated that high employee turnover creates a restriction in the work environment of the organization, besides that high turnover affect negatively on employee satisfaction and as well as discourage current employee to continue their efforts for the same company. Employee turnover create gat between employer and employee unknowingly, misunderstanding, misperception and misbelieve with a low level of trust developed among employee. These factors affect directly and indirectly on investment failure of the organization, many organizations do not care about it or respond it when it is getting out of hand, these are the biggest reasons for increasing employee turnover and unsuccessful employee retention (Smrutihara, 2013).

Schultz (2006) concluded that employee turnover accord high cost for an organization, when the employees seem quit all the time it must replace and recruited, retain the employee and spend time for on the job training.

Phillips and Connell, (2003) concluded that turnover cost includes, selection cost, recruitment cost, orientation cost, training cost, administration cost, loss of salary, and wages. Loss of productivity loss of human capital and customer satisfaction problems. There are direct and indirect costs associated with the turnover that includes the cost of advertisement, temporary loss of productivity associated with the cost of vacancy that withdrawal by voluntary service of an employee, apart from the cost there are indirect costs that include loss of good and loss of sales. It is playing a vital role for the organization to investigate the reasons behind employee turnover especially talented and high performers, one tool to know the main reasons is through exit interview form that is an additional cost for the business.

According to Assmamaw (2011) on MoFED, new employee salary caused productivity loss up to 75%, if new employees replaced and hired a one-month salary Birr 20000 the company will be losing the sum of Birr 15000 as productivity loss per month. That is why the new employee is not adding full value to the organization, high cost of employee turnover affect negatively on overall organization performance, an effective program or system need to design to retain the valuable employee in best possible ways in order to decrease unnecessary turnover. An organization needs to attract qualified employees through the employment process, even it is more important for employers to make strong decisions in which to retain talented employees for a long duration for the organization to get benefits from the investment that already made on employees. One of the

most critical challenges for the organization is employee retention, as a result, the employer or managers are facing a shortage of skilled employees, business growth, and high employee turnover.

Phillips and Connell (2003) declared that employee retention includes being careful about employee expectations and considering the required strategies to meet those expectations, these strategies. According to Czakan (2005) include career development and growth, supportive management, opportunity for training, and competitive compensation benefits, apart from the strategy mentioned above the manager or employer needs to consider a flexible approach to motivate and retain employees, this approach should consider several well-being components. Brown (2006) conclude that strategies include opportunities for career development, coaching, mentoring, as well as flexibility around the frequency, size of performance rewards and compensation. Overall retention is the process to make sure that employees are well retained in the organization, especially those valuable, skillful and talented employees who are having enough experience in a critical field or department (where recruitment is not easy) competitive advantage, to avoid employer from high tension/concern and costly expense of turnover.

# **Factors Affecting employee retention:**

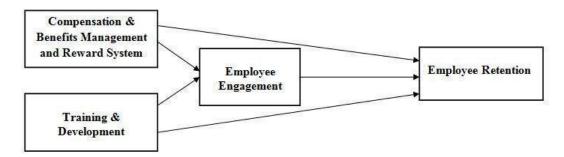


Figure 2.1 HRM practice and employee retention

It shows that HRM practice contained compensation, incentive, good management system, reward system and training and development are independent variables while employee engagement is mediating variable and employee retention is the dependent variable. In this model, it declared that employee retention effected through compensation and reward systems, compensation is an important factor for the organization to help them in retaining valuable employees. It also stated that training and development need to be conduct simultaneously along with compensation and reward systems that will affect positively on employee retention (Tangthong, Trimetsoontorn, & Rojniruntikul, 2014).

The employers have concern about employee retention because of high employee turnover determination the article also stated that there are areas that will effect on employee retention, like career development opportunities, work environment, family, and flexible timing. The researcher argued that there are three major factors or variables which are affecting employee retention intentionally to stay within the organization, variables are employee particulars, gender and age and current job 's nature of an employee, an adequate working arrangement like promotion opportunity, training and effective communication within the organization. Finding of the study indicated that variables are included of intrinsic and extrinsic factors where intrinsic factors included leadership, distributive justice, remuneration and work environment while extrinsic factors consist of promotional chances, training and development, independency and acknowledgment have a direct effect on employee retention (Ng'ethe, Iravo, & Namusonge, 2012). Refer to the vast literature review on employee turnover, the main aim and objective is to identify factors that cause employees to quit Griffeth, Hom, & Campion (cited by Ruchi, 2012), much less known about the factors that force an employee to stay, a study by Maertz & Campion (1998), relevantly low turnover research concentrated especially on how an employee decide for staying with the organization and determining the retention process that should be studied.

Hausknecht (2008) listed the major 12 retention factors that have published in literature over the last 60 years, which explain why employees stay or quit. A summary of this content model described in the following table.

Table 1

Description and definition of retention factors

No.	Retention factor	Definition		
1	Job satisfaction	The degree to which individuals like their jobs		
2	Extrinsic rewards	The amount of pay, benefits, or equivalents distributed in		
		return for service		
3	Institutional attachments	The degree of attachment to individuals associated with the		
		organization such as supervisor, co-workers, or customers		
4	Organizational	The degree of which individual's perceived to the		
	commitment	reputable and well-regarded		
5	Organizational prestige	The degree of which organization is perceived to be		
		reputable and well – regarded		

6	Lack of alternatives	Beliefs about the unavailability of jobs outside of the		
		organization		
7	Investment	Perception about the length of service to the organization		
8	Advancement opportunities	The amount of potential for movement to higher levels		
		within the organization		
9	Location	The proximity of the workplace relative to one's home		
10	Organizational justice	Perceptions about the fairness of reward allocations,		
		policies and procedures, and interpersonal treatment		
11	Flexible work arrangement	The nature of the work schedule or hours		
12	Non-work influences	The existence of responsibility and commitments outside		
		of the organization		

Source: Hausknecht (2008) Description and definition of retention factors.

Employee retention factors Agrela, et al (2008) concluded that there is a need to concentrate on those factors that affect employee retention and lead the organization toward growth and success. The study suggested that retention strategies that effectively satisfy the need of all employees consequently enhance the ability for the organization to adapt effectively to ongoing change to the organization. Gale Group, 2006 (Cited by Feb. & Obinna, 2016) research stated that there is need to redefine modern retention strategy go beyond the traditional approach, salary, compensation, and incentive (Feldman, 2000) defines employee motivation (Thomas, 2000) as one of the important factors that support to the diversity and to stay at the workplace within the organization. Retention factors combine the need and desires of employees at different age groups to enhance levels of individuals and job satisfaction, loyalty, and commitments. (Boomer Authority, 2009). According to Cunningham (2002) indicate that employee rank, employee recognition, flexibility, and training are the top priorities for extending individual employment. While Walker (2001) and other preferred to create supportive learning and work environment for employee retention further career development (Boomer Authority 2009) organizational commitment (Patrick Owens, 2006), communication (Gopinath & Becker, 2000) and superior-subordinate relationship (Zenger, Ulrich, Smallwood, 2000) are also identified factors for extending employee retention in the organization. Walker (2001) identified seven factors for extending employee retention in the organization. (1) compensation & appreciation of the performed work, (2) provision of the challenging work, (3) chances to be promoted and to learn, (4) invitational atmosphere within the organization, (5)

positive relations with colleagues, (6) a healthy balance between the professional and personal life, and (7) good communications. They together suggested as a set of workplace norms/values and practice that might be considered as a key tool of employee engagement, Kehr, (2004) divided the retention factors into three category or variables, power of achievement, power of affiliation and dominance one is social control represents power.

When job performance increase the set of standards, represents achievement and affiliation related to social relationship that created and increased. Hytter (2007) found that factors like personal property of loyalty, commitment, trust, recognition and attachment with the organization have a direct influence on employee retention, she also explained that factors like rewards, leadership style, career opportunities, training and development of skills, physical working conditions, and the balance between professional and personal life have an indirect influence in the workplace. Pritchard (2007) stated that training and development is one of the most important retention factors combined in such a way to retain employees. Eva Kyndt, Filip Dochy et' al., (2009) in their study identified that investment on employee retention that personal factors like level of education, self-perceived leadership skills, seniority, work pressure, organizational factors, appreciation, stimulation, and learning attitude are the great relevance in employee retention.

# 2.2. Employee Empowerment

In general, empowerment refer to the delegation of the power of decision and activity to the employees by giving them authority and responsibility to complete their task, (Jarrar & Zairi, 2010). It means that employers give enough authority to employees to examine how they perform their tasks, refer to broader concept empowerment contained involving employees in decision making and goal setting process, and provide a motivational technique to make them more enable to be workable in a particular environment. (Osborne, 2002) stated that empowerment involves employees taking initiative action to respond independently to job related challenges with encouragement and help of management (Raub & Robert 2010; Hakan & Jamel, 2012).

Unquestionably, employee empowerment identified as an important factor in the organization success (Kaye & Jordan-Evans, 2001). Employees are more committed and motivated to organization activities. As per Naeem and Saif (2010), employee empowerment can create a sense of belongingness and ownership toward organization, they like to be more confident and try their level best to perform well, unintentionally it increase the quality of service and customer satisfaction.

Many studies have identified that job dissatisfaction (Moore, 2002) and low level of empowerment (Boundrias et al., 2009) could lead to high turnover (Salman, Iqbal and Chandran, 2010). Empowerment gives more confidence to employees to perform their job well because they are having the authority in the decision-making process (Naeem and Saif, 2010). Empowerment gives a sense of feeling of responsibility among employees to extend their stay duration in the organization, the employee willing to stay with the organization, even when they feel pressure at work from others that intend to leave the organization due feel that they are part of the company (Choong, Wong and Lau, 2011).

Psychological and structural empowerment establish a system of orientation and enabling peoples to thinks, take action, and behave in such a way to an autonomous way (Menon, 2001 cited in Hong & Yang 2009). They support the employees to own their work and take responsibility for their achievement, because of technology up-gradation and automation the organization is depending on the high level of creativity, innovation, change and learning attitude of employee that will need to be employee accountable and risk-taker (Kanchana & Panchanatham, 2012). As per Chen, Kirkman, Kanfer, Allen & Rosen, (2007). The result of the performance of empowerment practice are highly correlated to productivity, and proactive and superior customer service. Additional consequences comprise of job satisfaction, individual commitment, team commitment, and organizational commitment, although the result of empowerment has several results as mentioned above, organization commitment is the most important factors that affect on organizational development, employee commitment are productive, innovative, proactive and give a sense of satisfaction to their job and superior customer service. Beside that a committed employee psychologically linked his job with less tend to leave the organization, they want to make themselves connect and greater contribution for the organization success. Finally, the human resource department needs to focus on employee development, competencies and to effect on the behavior of workers in that employees are satisfied with the organizational goal that were achieved.

## 2.3. Employee Training and Development

Refer to the changing process of the current world, the knowledge incompetent to meet up with the energetic and technical business world. For an organization a major priority is to acquire skills and knowledge according to technological changes, due to reasons the majority of companies take proactive actions for maintaining and measuring the high technology staff by providing them relevant training and development. According to Chew (2004), training provides employees with

specific skills to make them more capable in their performance, while development is an effort to provide the opportunity for the employee to make them more competent in the future.

A comparison study on smooth growth and low growth of firms, the study finding indicate that the rapid growth of the business is depending on employee training and development to achieve the business objective with desire results and put more concentration on employee development. It is important for their great extent than their slow growth counterparts, this contribution stated by researchers that training is highly correlated with job satisfaction and has a positive effect on employee retention (Barringer, 2005).

Employees are not trained well there will be no chance of further promotion, so it has a bleak futures, this stimulates some of employees to look for alternative jobs where their training and development opportunity is guaranteed. As per Samuel and Chipunza (2008), employees are caring about their education, training, and development as crucial to their overall career development, growth, goal attainment and motivate them to stay with the organization and build a career path in an organization that offers such opportunity. Moreover, if employee training facilitated by the organization, it affects positively and employees may develop good relationships and belongingness to give its money worth to the organization by loyalty and commitment to the job. Samganakkan (2010) identified the training and appraisal as best practices for human resource management that are having a positive effect on employee retention and increase their intention to extend their duration to stay with the organization. Refer to the result of this research training is the most important factor of employee motivation and retention, training is the key retention element at different age group and it is a critical factor for personal behavior and processual development (United States Department of Labor, 2009). As Eisen (2005) stated a 70%, increase in employee retention rate is depending on training programs available to all employees. According to Agrela (2008), a high level of competency, consistency, productivity, interdependency, commitment, loyalty, and adaptability correlated with training benefits in different age groups. Per Deery's conclusion (2008), training and development practices improve employee retention and commitment.

Training and development programs can increase employee retention when the need for employee fulfilled (Montgomery, 2016). Fulfilling employee expectations through training and development programs occur when the information provided is well understood as useful, desirable, and applicable by them, the researcher further suggested that reward, management, competency, skill

development are the keys factors of employee retention both financial and psychological. Organizations need to focus seriously on their investment in training and development if they want to retain valuable employees. A successful retention strategy must include training (Roberts and Outley, 2002). Training support to establish a logical urge among employees to stay in the organization for long-duration, career development, and professional training programs are an essential part of the organization policy, the company should motivate and encourage employees to take part actively in training programs.

# 2.4. Employee Career development

It is all about the employee to become change flexible, more secure in themselves and their future the organization need adjust according to change process in the market situations, increasing employability related to the wide range of potential job roles to the employee and extend the value of their efforts and staying with the organization. When employee feel more secure about their career development they contribute effectively and cooperate better to the work unit expectation, career development planning is a positive sign of surprise for an employee to adjust themselves according to change process and unexpected organization condition, enhancing employee knowledge about career development can serve as the foundation of change management initiatives.

According to Zorlu (2009), the organization is accountable and responsible for providing continues learning and development opportunities from the time of recruitment till retirement for their employees, learning and development should not be limited only to the competency, skill and knowledge, it must cover further career development, because career development is one of the important factor of attracting and retaining employees. It play a significant role to both employees in term of their progression development and about organization development in term of reaching a vital resource to take competitive advantage.

As per Latukha (2011), retention included many important factors that are tough to manage congruently, compensation, benefits, pay, strategies, organizational culture, and career development system. Career development as a human resource package aided the employer to be resistant, having a high level of confidence in themselves as the company adjusted to varying economic circumstances. The career development make the employee more capable, workable and marketable to add a variety of possibility and opportunity to the workers which extend their stay duration in the organization, (Six Figures International Pty Ltd, 2008). A study by Winterton

(2011). Stated that employees are willing to stay when the work environment is favorable along with that provide the opportunity to develop their career.

Armstrong (2003) related to succession planning as a process where the organization make sure that employee is hired and continuously provide development opportunity to fill the key role within the organization. According to Armstrong (2012), succession planning is a process of identifying successors for important posts, then planning career move onward or development activities for the potential successor's management is complementary to management of succession planning. Employees are valuable to assist for an organization, they should know about the future of company and business, it is very important to make sure that the supervisors or team leaders meet the employee expectation and discuss about their professional goal. As a part of retention practice, they should make sure that employees achieve those goals by providing necessary support and inputs and the required training and development needs, this will enable the organization to keep valuable employees (Mita, Aarti, & Ravneeta, 2014).

An important point which takes away the society from human resource management is that succession planning is about preparation and not pre-selection (Klein & Salk, 2013). As per Rothwell (2005), succession planning is part of human resource planning which related to staffing and having a positive effect on employee turnover rate. It is better to enhance employee retention. The best retention strategy involves identifying top talents and creating an opportunity for career development to retain employees (Parry & Rob, 2006). An organization needs to make succession planning for their internal workforce changes, the capacity building must have potential backup candidates, keeping continues tracking of attrition and retain the most talented employees.

According to Rosemary (2002) finding those organizations who are having a good succession planning strategy affects significantly on employees decision making to stay or leave the organization. While a few studies just focused on the effect of succession planning on employee retention, one of the most important point is the fact that having succession planning strategy in the organization has significant impact and effect on employee retention (Eshiteti et' al., 2013; Jiang & Klein, 2002; Sullivan, 2008). With the help of the study finding by Tuje (2014), showed that positive relationship between succession planning practices and employee retention.

# 2.5. Employee Compensation and benefits.

Samganakkan (2010) stated that organizations should adopt compensation practices in such a way that it can attract and motivate the employee to stay with the organization, even by force because employee retention is an important factor for the organization's effectiveness. To keep the turnover rate low the organization needs to become a best employer, that is way the researcher-identified compensation as an important factor to keep employees retain and motivated.

A per Umair (2015) study result finding, employee compensation is playing a vital and important role for commitment, job satisfaction and employee retention, moreover, it influences external competitiveness and internal equity to predicate employees performance result it can be measured by their fairness structure and it must be cost-effective and efficient. According to Lia (2011), compensation is an internal factor for employee retention and external tool to attract qualified and talented employees, it is used to keep employees retain, motivated, and reward the employee efforts (hr-guide, 2011).

Umair (2015) has also noted that compensation referred to the methods of payment which shows employee accomplishment and support them to fulfill their needs, these acknowledgments might be considered on performance, full participation and merit rewards, refer to the content of human resource management reward are divided into a category based on their nature. First one is an extrinsic reward which includes all tangible plunder such as, certificate of gratitude, job security, bonus, promotion, fringe benefits and pay, the second one is intrinsic rewards which include recognition, praise from the supervisor, encourage for achievement, respect and work identity (Ozuku 2012).

## 2.6. Proposed Theoretical/ Conceptual Framework

According to Assmamaw (2011), a study in the Ethiopian context showed that an increased level of qualification is depending on the employee age group. If the management of the organization is not committed to provide required facilities to employee's needs, also there is no performance-based assignment, not having a clear compensation system, not focusing on career development and a clear path. The employee stays in the organization only because not having an alternative option, a huge difference between work experience, skill, and knowledge, lack of formal employee representative, weak relationship within the organization, not having a sense of belongingness, there is no proper disciplinary measure of the organization were identified as major factors that affecting employee retention.

Apart from the above study, few studies finding stated that undertaken and discussed employee turnover and its impact on organization performance and productivity but it identified factors that are affecting employee retention and recommended that employee retention strategy is necessary. According to Solomon (2007), study finding stated that low salary scale, unfair compensation package and lack of proper orientation, differences and mismatch between employees and employers are the strong reasons behind the departure from the ERA but the study did not show the need and expectation for employee retaining and nothing mentioned that how organization retain their employees. The same study conducted by Aman (2015), which recommended good compensation at the external market, government policy that encourages professionalism to adjust themselves with the new system in the workplace or business unit. Lack of unity and teamwork for employees are the key reasons for the high turnover rate at Oromia Water Works Design and Supervision Enterprise but from the study nothing is mentioned and recommended on how to retain the employee.

Some other studies such as, study conducted on Techno Fiber Glass Factory (Ayselech, 2014), and Ethiopian Evangelical Church Mekane Yesus (Yohannes, 2014) about employee turnover and need of employee retention. There is no empirical research conducted on public organization about professional employee's turnover, and factors which are having a positive effect on employee retention that were supported by formal and published research.

Human resource management is playing a vital role in achieving corporative vision and objective, in the majority of the organization it has misunderstood, studies conducted only about promotion issues and satisfaction. While it is more significant for the organization where its operation high effect on the food security, national economic level, and human capital that is capable to carry out heavy load. The study conducted on MoANR because of employee turnover is a critical issue for the ministry; hence, this study identified the factors that are affecting employee retention. This will help the organization to develop a fair policy and strategy for employee retention at the national and country level for public and private organizations, this can fulfill the gap that were mentioned in the above literature review.

Refer to the finding of the above literature review many factors are affecting employee retention. But for the purpose of the study the research only focuses on significant factors employee empowerment, training and development, career development and succession planning, compensation and benefits based on the conceptual framework adopted by Ng'ethe, J.M., Iravo, M.E.,& Namusonge, G.S.(2012).

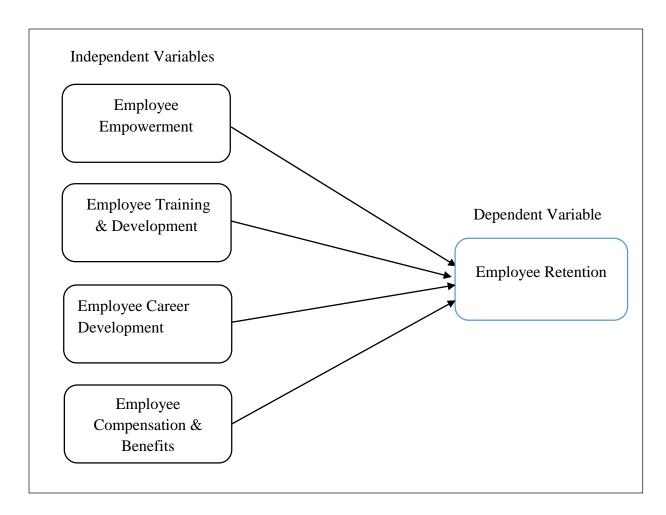


Figure 2.2 proposed a theoretical/conceptual framework

# 2.7. Relationship between dependent and independent variables.

Employee Empowerment.

According to Dereje (2017), Employee retention is a problem for the majority of the organization, the result of the study identified these factors as significant factors that effect on employee retention, the factors are, employee training, employee development, employee empowerment, career development. The finding of the study shows that there is a significant and positive relationship between employee empowerment and employee retention.

Employee Training and Development:

As per Salman Ph.D. Scholar, (2014), the result of the study showed that there is a weak relationship between employee development and employee retention, in another hand, the result showed that there is a strong relationship between employee retention and Employee training switch as soon they find a better opportunity, the bank will face the issue and increase hiring cost.

According to Coetzee & Stoltz (2015), the study finding explored significant factors of employee retention in the organization the career opportunities, training and development opportunities are highly correlated with employee retention.

The summary of Grobler, M. van Niekerk (2015), research result recommended to develop retention tools in the institution to retain high employee performance, the retention tools may include, training and development because training is highly correlated with employee retention, Employee career development.

Based on Prabusankar R. (2017) research, the study result reveals an influence relationship between career development and compensation as important factors of employee retention. In order to retain employees properly the company should provide the opportunity of career development and training programs for building employee capacity to treat and retain them fairly.

As per Madueke (2017), research the summary of the result examine the relationship between organizational culture and employee retention in the banking sector, finding of the research showed that employee will stay with the organization for their career growth and development while the organization create friendly culture environment and engaged employee in the organizational process.

## Employee compensation and Benefits:

Based on Amandeep Kaur (2015), research the study finding recognized that some factors do effect on employee retention, those strong factors highlighted and named like, rewards, recognition, compensation, retirement benefits, and involvement in the decision-making process as the main factor of retention management. According to Ewumini Senevirathna (2018), the summary of research indicates that employee retention is a mandatory requirement for every organization and identified four common factors. Work-life balance, compensation, and there is a superior-subordinate relationship with employee retention, to grow the organization it will be good to retain employees in the face of competition, finding of the research identified training & development, reward/recognition, and good compensation as significant factors.

#### **CHAPTER THREE**

## RESEARCH METHODOLOGY

# 3.1. Preliminary Data Gathering Procedure

The primary data allocated based on a self-administered survey where the questionnaire shared through an online survey at the same time the hard copy distributed to both male and female employees with close-ended answers. To get appropriate answers the respondents were told about the benefit of the study, accordingly, they have marked the appropriate parts based their perceptions and what they have learned or experienced from the work environment, the secondary data for this research allocated through international journal and research articles.

# 3.2. Research Approach

Explanatory research method (approach) used in this research to understand the problem in-depth and to gather quantifiable data and information that can be used for statistical inference on target audience through data analysis, as a consequence this type of research takes the form of close-ended questions, which limits its ability to provide unique insights. However, used properly it can help an organization better define and measure the significance of something about a group of respondents and the population they represent, when it comes to online surveying, descriptive is by far the most commonly used form of research. Most often, organizations will use it as a method to reveals and measure the strength of a target group's opinion, attitude, or behavior about a given subject, but another common use of descriptive research would be the surveying of demographical traits in a certain group (age, income, marital status, gender, etc.). This information can be study at a face of value, measuring trends over time, or for more advanced data analysis like drawing correlations, segmentation, benchmarking and other statistical techniques/tools.

# 3.3. Research Design

The research design refers to overall strategies where the researcher chooses to integrate the different components of the study consistently and logically, therefore, ensuring that the research will address the research problem effectively. It establishes the blueprint for data collection, measurement and analysis, the descriptive research design is used to take the responsibly of this research because descriptive research design is conclusive in nature opposed to exploratory

research and provide sufficient support to participants to answer the questions of what, who, when and how connected with the given research problem.

# 3.4. Population of Study

Population is the entire number of people, groups, events, and objects of interest to a scholar for the purpose of his/her research or study. Based on the research definition population for this study considered 197 employees who are currently working with AKES, A in different positions, and these employees are the target population for this research.

# 3.5. Sampling Procedure

The sample is a subset of the population or the set of values used in the estimation, as a sample of this study, the (AKES, A) Aga Khan Education Service of Afghanistan selected, the sample size for this research would be 102 employees working currently at AKES which include both male and female. Random sampling is one of the simplest forms of collecting data from the entire population, under random sampling techniques each member of the subset carries an equal opportunity of being chosen as a part of the sampling process. This sampling method used in this study for gathering primary data on the bases of the questionnaire from the selected samples, the questionnaire with close-ended answers shared, and distributed to both male and female employees. The correspondents put checkmarks or select the appropriate answer to each question according to their understanding, knowledge, and experience the secondary data allocated in this research through the international journal and research articles.

# 3.6. Operationalization of Variables

The study included both dependent and independent variables, where the independent variables consist of four variables such as employee empowerment, training and development, career development, compensation and benefits, all these variables have positive effect and highly correlated with dependent variables (employee retention).

Employee empowerment, training and development, career development, compensation, and benefits identified as an important element by literature review, and this study defined that these are independent variables, which are having a positive and direct effect on employee retention. It means employee retention is depending on these four factors, theoretical framework considered

these variables as significant elements for the study, questionnaire for this study development based on dependent and independent variables.

Employee retention can measure through employee empowerment, training and development, career development, compensation, and benefits based on these elements the survey will conduct from the selected samples to know and to measure the effect of factors about employee retention in the organization.

## 3.7. Data Collection Procedure

Primary data used for the collection of desirable information, the primary data collected based on structured questionnaires with close-ended answers where the questionnaires designed in a coherent and logical order and standardized forms. In order to get appropriate answer benefits of the study discussed with correspondents, all correspondents have an equal opportunity to share reliable and important information based on their judgment, reliable sources of information provide a better understanding of the problems and issues under review.

The structured questions used to facilitate easier analysis, the administered questionnaire avoid discussions among employee and HR manager from a different point of view that put the whole study in danger, the questionnaire composed of two sections. Section first refers to correspondent biography like, age, gender, marital status, education level, and current position the second section included factors affecting employee retention.

To enhance the quality of data, Likert type questions provided whereby respondents were required to indicate the extent to which the statements representing variables applied to their organizations. A five-point Likert scale used.

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

The questionnaire for employee empowerment is adapted from Paula M. Short, James S. (1992), Five-point Likert Scale (Strongly Disagree – Strongly Agree). Training and Development questionnaire adapted from Ameeq & Hanif (2013), five-point Likert Scale (Strongly Disagree – Strongly Agree). For Career Development the questionnaire is adapted from Demo, Neiva, Nunes, & Rozzett (2012), five-point Likert Scale (Strongly Disagree – Strongly Agree). Compensation and benefits questionnaire is adapted from Demo, Neiva, Nunes, & Rozzett (2012) Five-point

Likert Scale (Strongly Disagree – Strongly Agree). Retention; Akter (2012) Five-point Likert Scale (Strongly Disagree – Strongly Agree).

# 3.8. Data Analysis Procedure

Data analysis process consists of many procedures arranging, editing, checking, and coding to make sure the quality of data, consistency, and accuracy, data analysis was done by using SPSS software, descriptive statistic procedure include of percentage, frequency distribution, mean score, standard deviation, multiple regression and graphic tabulation presentation.

#### **CHAPTER FOUR**

#### DATA ANALYSIS AND FINDINGS

# 4.1. Introduction to Chapter

This chapter consist of checking the reliability of data for each variable, frequency, means, standard deviation, descriptive statistic, correlation and regression analysis, the result of collected data analysis presented in the form of charts, tables and graphs, accordingly interpretation provided for analysis finding, hypothesis testing, data normality and detail discussion about the analysis.

# 4.2. Data Reliability Test

Reliability refers to the measurement of the consistency of finding, to make sure the reliability of instrument in this study has been tested, Cronbach's Alpha ( $\alpha$ ) is used for testing data reliability. According to Sund & Others (2007), the Cronbach's Coefficient ( $\alpha$ ) calculated to judge on object value of internal consistency of the reliability through scale measurement.

# **4.2.1 Reliability Statistic for Variables**

Table2

Reliability testing

Variables	Number of Items	Cronbach's Alpha	Remark
Employee Empowerment	7	0.711	Reliable
Training and Development	5	0.776	Reliable
Career Development	5	0.711	Reliable
Compensation and Benefit	5	0.858	Reliable
Employee Retention	9	0.522	Reliable

As it can be seen in the above table, the result indicates that the measure was internally consistent for each variable, 0.711 for employee empowerment, 0.776 for training and development, 0.711 for carrier development, 0.858 for compensation and benefit, 0.522 for employee retention, based on Cronbach's Alpha result and internal consistency checking all variables are reliable.

# **General background of the respondents:**

This part of the research refers to the demographic information of the respondents that included the participant's gender, age, marital status, and educational background, and job title. Also, the data gathered about respondent years of service with this organization and respondent's length of stay in their current positions, both male and female employees have participated in the survey where they are working in different positions with the organization.

Table 3
Gender of the Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
	male	72	70.6	70.6	70.6
Valid	female	30	29.4	29.4	100.0
	Total	102	100.0	100.0	

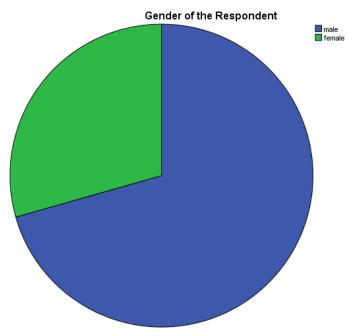


Figure 4.1 Gender of the respondents (n=102)

The result of the above table shown that both males and females have participated in this survey, the male was participated in 72 (70.6%) and the female were participated in 30 (29.4%) in this survey.

Table 4

Age of the Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
	25 Years and Below	30	29.4	29.4	29.4
Valid	26 – 35 years	58	56.9	56.9	86.3
	36 – 45 years	11	10.8	10.8	97.1
	Above 45 years	3	2.9	2.9	100.0
	Total	102	100.0	100.0	

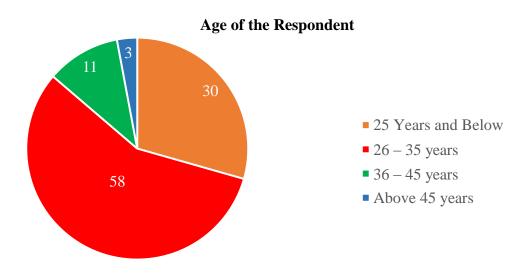


Figure 4.2 Age of the respondents (n=102)

As it can be observed in the above table, the result indicates the frequency of a different range of age groups of the respondents who were involved in this survey. Total 102 employees participated

and out of total respondents 30 (29.4%) of the respondents are below the age of 25, 58 (56.9%) of the respondent's age are 26-35, while 11 (10.8%) of the respondent age are 36-45 and 3 (2.9%) of the respondent's age are above 45. It shown that most of the respondents are young age group peoples that are looking for challenging jobs and interesting to learn new from the work environment.

Table 5

Marital status of the respondent

		Frequency	Percent	Valid Percent	Cumulative
					Percent
Valid	Married	68	66.7	66.7	66.7
	Single	33	32.4	32.4	99.0
	Other	1	1.0	1.0	100.0
	Total	102	2 100.0	100.0	

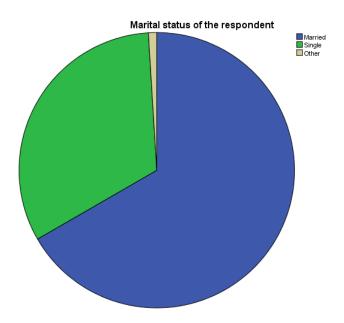


Figure 4.3 Marital status of the respondents (n=102)

The result of the above table indicates that the marital status of respondents classified in three categories, where 68 (66.7%) of the respondents were married, 33 (32.4%) of the respondents were single and 1 (1%) of the respondents was in another category, the result has shown that majority of the respondents were married.

Table 6

Education/Qualification of the respondents

		Frequency	Percent	Valid Percent	Cumulative
					Percent
	School Graduate	10	9.8	9.8	9.8
	Institute Graduate	24	23.5	23.5	33.3
Valid	Bachelor Degree	52	51.0	51.0	84.3
	Master Degree	16	15.7	15.7	100.0
	Total	102	100.0	100.0	

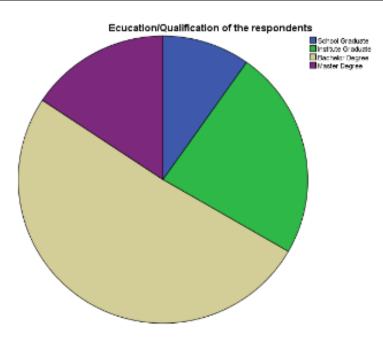


Figure 4.4 Education/qualification of the respondents (n=102)

Refer to above table education level of respondents the result indicated that 10 (9.8%) of the respondents were graduated from the school, 24 (23.5%) of the respondents graduated from institutes, 52 (51.0%) are having bachelor degree and 16 (15.7%) of the respondents are having master degree. It shown that the majority of the respondents are having a bachelor degree or higher education qualification.

Table 7

Position/ Job Title of the respondents

		Frequency	Percent	Valid Percent	Cumulative
					Percent
	Department Head	3	2.9	2.9	2.9
	Manager	8	7.8	7.8	10.8
	Assistant Manager	2	2.0	2.0	12.7
Valid	Officer	24	23.5	23.5	36.3
vanu	Center Operation In Charge	18	17.6	17.6	53.9
	Assistant	7	6.9	6.9	60.8
	Teacher	40	39.2	39.2	100.0
	Total	102	100.0	100.0	

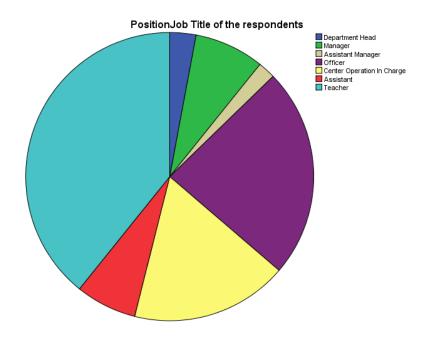


Figure 4.5 Position/Job title of the respondents (n=102)

As it can see in the above table respondent's job title in the organization. The result shown that 3 (2.9%) of the respondents are head of departments, 8 (7.8%) of the respondents are managers, 2 (2%) of the respondents are assistant managers, 24 (23.5%) of the respondents are officers, 18 (17.6%) of the respondents are center operation in charge, 7 (6.9%) of the respondents are assistants and 40 (39.2%) of the respondents are teachers. The result indicates that the majority of the respondents are teachers who are in a low-level position in the organization.

Table 8
How long have you been working with this Organization

		Frequency	Percent	Valid Percent	Cumulative
					Percent
	5 years and below	50	49.0	49.0	49.0
	6-10 years	45	44.1	44.1	93.1
Valid	11 – 15 years	5	4.9	4.9	98.0
	16 years and above	2	2.0	2.0	100.0
	Total	102	100.0	100.0	

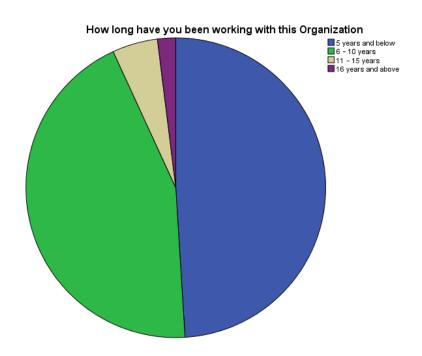


Figure 4.6 how employee been working with this organization (n=102)

As it can be seen in the above table respondents were asked how long they have been working with this organization. The result has shown that respondents were served 50 (49%) 5 years and below, 45 (44.1%) of the respondents were served 6-10 years, 5 (4.9%) of the respondents were served 11-15 years, and 2 (25) of the respondents were served 16 years and above, the result indicate that majority of the respondents were not retained well in the organization.

Table 9

How long have you served in your current position

		Frequency	Percent	Valid Percent	Cumulative Percent
	1 year and below	19	18.6	18.6	18.6
	2 – 5 years	53	52.0	52.0	70.6
Valid	2 – 5 years 6 – 10 years	29	28.4	28.4	99.0
	11 - 15 years	1	1.0	1.0	100.0
	Total	102	100.0	100.0	

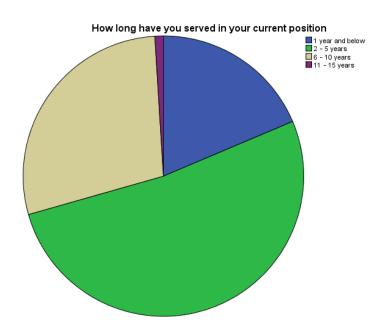


Figure 4.7: How long been served time in your current position (n=102)

The contents of the above table show that how long respondents served in their current position. The result indicate that 19 (18.6%) of the respondents were served time 1 year and below, 53 (52%) of the respondents were served time 2-5 years, 29 (28.4%) of the respondents served time 6-10 years and 1 (1%) of the respondents served time to stay in their current positions. The result shows that most of the respondents were not stay with the organization for a long duration.

## 4.3. Descriptive Statistics Analysis & Findings

Descriptive Analysis is the term used to summarize the data and make it meaningful for the study, it helps and enables to identification of association among different variables in the study by providing a sample graph, chart, and table.

Table 10

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Employee Empowerment	102	2.29	4.86	4.0056	.45970
Training Development	102	1.40	5.00	3.7784	.70803
Career Development	102	2.40	5.00	3.8961	.63603
Compensation & Benefit	102	1.00	5.00	3.3157	.92166
Employee Retention	102	3.22	5.00	4.0784	.37772
Valid N (list wise)	102				

The descriptive statistics have shown that majority of the participants retained by having the above-average level of employee empowerment by mean score (M=4.00), training and development by mean score (M=3.77), career development by mean score (M=3.89), compensation and benefits by mean score (M=3.31) and Employee Retention by mean score (M=4.07).

Table 11 *Correlations* 

		1	2	3	4	5			
_	Pearson Correlation	1	.421**	.523**	.386**	.285**			
Employee Empowerment	Sig. (2-tailed)		.000	.000	.000	.004			
	N	102	102	102	102	102			
	Pearson Correlation	.421**	1	.697**	.311**	.407**			
Training Development	Sig. (2-tailed)	.000		.000	.001	.000			
	N	102	102	102	102	102			
	Pearson Correlation	.523**	.697**	1	.375**	.365**			
Career Development	Sig. (2-tailed)	.000	.000		.000	.000			
	N	102	102	102	102	102			
	Pearson Correlation	.386**	.311**	.375**	1	.541**			
Compensation & Benefit	Sig. (2-tailed)	.000	.001	.000		.000			
	N	102	102	102	102	102			
	Pearson Correlation	.285**	.407**	.365**	.541**	1			
Employee Retention	Sig. (2-tailed)	.004	.000	.000	.000				
	N	102	102	102	102	102			
**. Correlation is significant at	**. Correlation is significant at the 0.01 level (2-tailed).								

The correlation table indicates that there is a positive and significant association between employee retention with other independent variables including employee empowerment (r=.285, P<.05); training and development (r=.407, P<.05); career development (r=.365, P<.05); and compensation and benefit (r=.541, P<.05).

## **Regression Analysis**

Regression analysis is used for testing the hypothesis. The normality assumption is tested using the NPP plot given below.

## 4.4. Discussion on Data Normality





Figure 4.8 Testing data normality

The NPP plot shows that dots are appearing closer to the diagonal line that shows that the normality assumption is satisfied in our data.

## 4.5. Hypothesis Test

Table 12 Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R	Std. Error of the	<b>Durbin-Watson</b>
			Square	Estimate	
1	.597 <sup>a</sup>	.356	.329	.30929	2.013

a. Predictors: (Constant), Compensation Benefit, Training Development, Employee

Empowerment, Career Development

b. Dependent Variable: Employee Retention

The R-value indicates that independent and dependent variables are 59.7% associated. The R-square value indicates that the four independent variables explain 35.6% variation in the dependent variable of employee retention. The Durbin Watson value is close to 2 so it indicates that no autocorrelation assumption is satisfied in the data.

Table 13 *ANOVA*<sup>a</sup>

Model		Sum of	df	Mean Square	F	Sig.
		Squares				
	Regression	5.130	4	1.283	13.407	.000 <sup>b</sup>
1	Residual	9.279	97	.096		
	Total	14.410	101			

a. Dependent Variable: Employee Retention

Employee Empowerment, Career Development

The F-statistics indicate that model is fit and significant as the F value is greater than the critical value of 4 (Fstat=13.407, P<.05).

Table 14

Coefficients<sup>a</sup>

Model	Unstandardized		Standardized	t	Sig.	Collinearity	
	Coefficients		Coefficients	_		Statistics	
	В	Std. Error	Beta			Tolerance	VIF
(Constant)	2.640	.282		9.370	.000		
Employee Empowerment	008	.081	009	093	.926	.680	1.470
Training Development	.135	.061	.253	2.217	.029	.509	1.966
Career Development	.013	.073	.022	.177	.860	.441	2.267
Compensation Benefit	.238	.047	.458	5.048	.000	.808	1.238

a. Dependent Variable: Employee Retention

The coefficient table indicates that on the dependent variable of employee retention, employee empowerment has negative and insignificant effects ( $\beta$ =-.008, P>.05); training and development

b. Predictors: (Constant), Compensation Benefit, Training Development,

has positive and significant effects ( $\beta$ =.135, P<.05); career development has positive but insignificant effects ( $\beta$ =.013, P>.05); and compensation and benefit has positive and significant effects ( $\beta$ =.238, P<.05). From these results, it can be concluded that training and development, and compensation and benefit are important factors contributing positively to employee retention. Furthermore, the VIF values are less than 10 so it indicates that the independent variables are satisfying the assumption of the no multicollinearity.

#### 4.6. Discussion

This part of the study discuss the finding based on factors associated with employee retention in the organization, employee empowerment, training & development, career development, and compensation and benefit.

Through scale measurement the reliability of the instrument has been tested to have a judgment on data internal consistency, the Cronbach's Coefficient ( $\alpha$ ) tested the reliability of data and the result indicated that both dependent and independents variables are reliable, each variables discussed details as follows.

## 4.6.1. Employee Empowerment:

Based on study result and finding the correlation analysis indicates that there is a positive and significant relationship between employee retention and employee empowerment (r=.285, P<.05); the R-value indicate that both dependent and independent variables are associated, the correlation coefficient shows that employee empowerment has negative and insignificant effect on employee retention ( $\beta$ =-.008, P>.05).

Employee empowerment is one of the important factors which is having a positive and direct effect on employee retention, this factor is playing a pivotal role to extend the duration of employee stay, increase employee commitment, create a sense of ownership and increase the quality of performance in the origination because both employee empowerment and employee performance are highly correlated.

Refer to the literature review Kanfer, Allen & Rosen, (2007). The result of the performance of empowerment practice are highly correlated to productivity and proactive and superior customer service, additional consequences comprise of job satisfaction. As per Naeem and Saif (2010), employee empowerment can create a sense of belongingness and ownership toward organization,

they like to be more confident and try their level best to perform well, unintentionally it increase the quality of service and customer satisfaction.

## 4.6.2. Training and Development:

The correlation analysis shows that there is a positive and significant relationship between employee retention and employee training & development (r=.407, P<.05); the R-value indicate that both dependent and independent variables are associated, the correlation coefficient shows that training & development has positive and significant effect on employee retention ( $\beta$ =.135, P<.05).

Training and development is on the key element for employee well-being and employee retention, through training & development the organization can extend employee stay for log duration, achieving objectives, business growth, further promotion, motivation, maintaining the relationship, competency, productivity, interdependency, consistency, commitment, loyalty and adaptability are depending on the employee training and development.

Concerning the literature review, According to Agrela (2008), a high level of competency, consistency, productivity, interdependency, commitment, loyalty, and adaptability correlated with training benefits in different age groups. A comparison study on smooth growth and low growth of firms, the study finding has shown that the rapid growth of business and achieving business objectives with desire results are depending on employee training and development.

#### 4.6.3. Career Development:

Refer to finding result the correlation analysis indicates that there is a positive and significant relationship between employee retention and employee career development (r=.365, P<.05); the R-value indicate that both dependent and independent variables are associated, the correlation coefficient indicate that training & development has negative and insignificant effect on employee retention ( $\beta$ =.013, P>.05).

Career development is one of the key indicators for employee retention that keep employee retain for a long time in the organization, when employee feel secure about their professional career development, it makes an employee more capable, enhance employee knowledge about career development and show flexibility to adopt the change.

The same discussion was reflected in the literature review, according to M. Aarti, & Ravneeta (2014). Employees are valuable to assist for an organization, they should know about the future of company and business, it is very important to make sure that the supervisors or team leaders meet the employee expectation and discuss about their professional goal. As a part of retention practice, they should make sure that employees achieve those goals by providing necessary support and inputs and the required training and development needs, this will enable the organization to keep valuable employees.

## 4.6.4. Compensation and Benefits:

Finding result correlation analysis indicates that there is a positive and significant relationship between employee retention and compensation & benefits (r=.541, P<.05). the R-value indicates that both dependent and independent variables are associated, the correlation coefficient indicates that training & development has negative and insignificant effect on employee retention ( $\beta$ =.238, P<.05).

Employee retention dependent highly on compensation and benefits, the best compensation practice can motivate and attract employees to stay in the organization for a long duration. Compensation is playing a good role for internal factors to retain the employee and external factors to attract talented and qualified employees. According to Lia (2011), compensation is an internal factor for employee retention and external tool to attract qualified and talented employees.

Finding of the study identified two important factors for the best practice of employee retention in the organization, compensation & benefits, and training & development are the key identified factors that are having a positive and significant effect on employee retention. The result of the study indicates that employee retention effected by training & development and compensation & benefits with a high level of dependency, through identified factors the organization can extend employee stay for a long duration, the research question was answered through study finds. Training & development and compensation & benefits are playing an important role in adopting the best employee retention strategy, simultaneously research objective has been achieved by identification of employee retention factors.

#### **CHAPTER FIVE**

#### CONCLUSION AND RECOMMENDATION

#### 5.1. Conclusion

Refer to analysis finding it has been concluded that employee retention is still a matter of issues in the AKES, A and they try to keep their employee to extend employee stay duration in the organization. Weak practice of employee retention could harm the organization sustainability and meeting organizational objectives, this study was done to identify factors affecting on employee retention for long duration in AKES, A by primarily focusing on the issues related to employee empowerment, employee training and development, employee career development and employee compensation and benefits.

Training & development to be followed by compensation & benefits identified as the most influential factors which are having significant and positive effect on employee retention, simultaneously it has been identified that employee empowerment is having insignificant and negative effect and compensation & benefits is having insignificant and positive effect on employees retention within the AKES, A. The study has shown that organizations should focus more on employee training & development and employee compensation & benefits.

Employee retention effected by training & development and compensation & benefits with a high level of dependency, training & development and compensation & benefits are the key identified factors for best employee retention practice. Through identified factors, the organization can extend employee stay duration for long time by focusing on identified factors.

### 5.2. Recommendation

Based on the finding and conclusion of the study the following recommendations are purposed to AKES, A for good employee retention practice to extend the employee stay duration by considering identified significant factors.

The organization should focus more on employee training and development programs regularly to build employee capacity, enhance their knowledge, improve employee performance, increase employee well-being, satisfy employee growth needs and increase employee retention. Training and development is playing a significant and positive role on productivity and profitability to bring

innovation and changes in the organizational process, by perceiving sufficient training employee will adjust themselves according to the new change with a high level of adaptability and flexibility.

The finding further established and identified compensation and benefits as important factors for better employee retention practice in the organization, the organization must have clear compensation policy, and standard salary-grading system for different employee levels, equal compensation has a positive effect on employee satisfaction, motivation, job performance, behaviors, and retention. The quality of work and compensation are having direct relationship, good compensation system ensure the quality of work in the organization. It is therefore recommended that management should take action aimed at ensuring employees are compensated and accordingly benefits offered to them be improved.

The employee must receive equal compensation package and incentive it will not retain only the present employees but will attract employees from other organization as well, the organization should identify those benefits that have more influence on the employee, those compensation packages that are not useful it should be replaced by revising the employee present benefits package.

In order to retain the employee, first, the organization need to bit that annoys them about the work environment and organization than ask the employee what they want from their job, do whatever you can to support and help the employees as individuals.

Develop employee retention strategy for best employee retention practice in the organization, the strategy will provide sufficient support to the organization to extend employee stay by giving a clear picture about employee empowerment, training & development, career development, and compensation & benefits.

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## **Appendix Questionnaire**

Please put check ma in the box provided for the appropriate option or put the appropriate answer on the space provided only once for each question

General Background of Respondents (Demographic Information)

	Part O	ne Personal Data
S/No.	Questions	Response
1	Age	1. 25 years and below
		2. 26 – 35 years
		3. 36 – 45 years
2	Sex	1. Male
		2. Female
3	Marital status	1. Married
		2. Single
4	Education/qualification	1. School Graduate 2. Institute Graduate
		3. Bachelor Degree
		5.PhD
5	Positions/Titles	1. Department Head  2. Manager
		3. Assistant Manager   4. Senior Officer
		5. Officer
		7. Assistant 8. Teachers
6	How long have you been working	1. 5 years and below
	with this Organization	2. 6 – 10 years
		3. 11 − 15 years
7	How long have you served in your	1. 1 year and below
	current position	2. 2 – 5 years
		3. 6 – 10 years
		4. 11 – 15 years
		5. 16 years and above

# Please rate the following items as follow:

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

No.	Extent to stay within the Ministry and Factors	Strongly	Disagree	Neutral	Agree	Strongly
	Affecting Employee Retention	Disagree				Agree
Emp	loyee Empowerment					
1	My manager encourages me to make my own decisions as far as possible					
2	I have access to all information, materials, equipment, and resources to do my job right and make decisions					
3	I have a lot of control over how I do my job					
4	I am often involved when changes are planned					
5	My ideas and inputs are valued					
6	I am involved in making decisions that affect my job					
7	I participate in the setting of goals and objectives for my job					
Trai	ning and Development					
1	There are many opportunities for learn new things					
2	Employees are continually developed through training, education, and opportunity for promotion					
3	Job vacancies are usually filled by the peoples inside of the organization					
4	My manger assists me to identify my training and development needs					
5	The training I receive is relevant to my job					
Care	er Development					
1	There is an opportunity for me to advance at the organization					
2	Leaders are developed from within the organization					

3	I am continuously learning and trying to improve			
	myself			
4	I have been given more responsibilities since when I started			
5	There is equal opportunity for job promotion in the organization			
Emj	ployee Compensation & Benefits			
18	The organization maintains a competitive pay and			1
10	benefits package			
19	The organization pay policy helps to attract and			
	retain high performing employees			
20	My pay matches my job performance			
21	I feel that organization pay employees equally who			
	are in the same level or positions			
22	My pay is fair for my position			
Emj	ployee Retention		1	
23	The work environment within this organization is			
	friendly and healthy.			
24	Within this organization, my work gives me			
	satisfaction			
25	If I want to do another job, I would look first at the			
	possibilities within this organization			
26	I am planning on working for another organization			
	within a period of three years			
27	I would choose to work for the organization for the			
	next five years			
28	The work that I am doing is very important to me			
29	I feel proud of being a family member of this			
	organization			
30	I would recommend my friends to join with this			
	organization			
31	It doesn't matter if I am working for this			
	organization or another organization as long as I			
	have work			