ASSESSMENT OF CHALLENGES

ON EMPLOYEES RETENTION (In

Case of Commercial Bank of Ethiopia)

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Chapter one

1. Introduction

In today`s competitive world to assure sustainable growth and win the competition, organizations need to utilize its resources effectively and efficiently. As human resource is one of most crucial resources (capital), the personnel of the company are expected to give due attention to their employee`s satisfactions so that they can be able to retain their invaluable resource.

Since one of the most creative areas of personnel management is the prevention of termination, obviously anything the personnel department can do to lessen unwanted separation benefits the organization. Restated, when personnel department can prevent their organizations from losing valuable human resources, the money invested in recruitment, section, orientation and training are not lost. Although a minimum amount of attrition insures a flow of new people in to the organization and promotional opportunities for those already there, each departing employee is a lost investment (David .M.Hurris, Randy.L.Desimore,1994).

Some turnover of staff must be expected but a careful watch is needed to spot any tendency towards a rate of leaving which could affect general morale. The recruiting process is costly, demands constant attention and it should be made obvious to employees that the possibility of their going is taken seriously.

To reduce the loss valuable human resources, personnel department can undertake a variety of actions. Among other thing the company should develop retention plans, conduct retention programs and use different retention strategies that best fit the organization`s goals and objectives. (David .M.Hurris, Randy.L.Desimore, 1994).

This paper tries to study practices of employee retention and challenges facing commercial bank of Ethiopia (CBE)

1.1. Profile of the Company

The year 1963 was a historical point of departure in the history of Ethiopian banking. A new banking proclamation was issued on 23 July of that year which abolished all previous regulations in the field of banking and monetary questions.

This proclamation, which was intended to provide a sound basis for economic expansion was important in that it separated the function of central banking and commercial banking. This it did by splitting the previous state bank in to two sisterly institutions: the national bank of Ethiopia and the commercial bank of Ethiopia.

The function of the national bank, which issued the country`s national currency, was essentially to act as a bankers' bank, and a regulator of monetary and credit conditions. The bank`s role was thus to regulate the supply, availability and cost of money, to manage and administer international reserves, to license and supervise banks, and to perform such other functions as national bankers customarily perform. The bank`s purpose was thus to faster "monetary stability "and a "balance growth of the economy".

The commercial bank which was incorporated as a share company on December 16, 1963 per proclamation on January 1,1964; with a paid up capital of Eth $ 20,000,000 was by contrast intended and provide a means of payment and to make loans, and fulfill the normal duties and responsibilities of a commercial bank.

The present day commercial bank of Ethiopia was established under proclamation No 184 of august 2, 1980. Moreover, according to this proclamation the bank shall have the responsibility to perform as the duties in accordance with the general directives issued to it by the supervising authority, namely the national bank of Ethiopia. those includes receive savings, demand and time deposits; make loans and advances; draw ,accept, discount buy and sell bill of exchange, drafts, and promissory notes payable within or outside Ethiopia; issue letters of credits; buy ,sell, hold or otherwise deal in foreign exchange; under take functions performed by executer and trustee; hold, acquire and sell negotiable instruments and securities by the government or private persons; keep in safes or otherwise, securities, jewels, precious metals and other valuable; issue checks and travelers` cheques, and generally deal with cheques; negotiable, under write or issue bond; act as an agent fore persons and in this capacity, engage in the sell of money and shares. Perform such other banking activities as are customarily carried out by commercial banks. (Belay Gedey, 1987).

1.2. Human Resources

The CBE`S philosophy is that success depends invariably on the qualitative and quantitative strength of its employees. Based on this philosophy, the bank strove in earnest to raise its human and institutional capacity during the year being reviewed. By continuing to employee both professionals and non professionals from the varies institutions of higher learning as well as vocational schools, it raised its overall staff strength by high rate, which is higher than that of the preceding years.

A great effort was also exerted to make the working environment more conducive to the professionals and skill development of its employees. Besides in a bid to motivate the bank`s employees, the board of management approved the upward revised salary scale as per the recommendation forwarded by a consultancy in the preceding year.

As in the past the bank continued to invest a great deal in the skills development its employees through various on the job and off the job training programs. It gave training to a large number of its employees in technical employee development, management development and information technology on a regular basis (annual report 2003/04).

1.3. Statement of the Problem

One of the major problems in the companies human resources programmed is the inability to retain invaluable employees. Due to the lack of enough research conducted on why employee do not stay long and/or terminate early, CBE is facing a big problem in retaining its employees.

Even though some employee retaining packages are included in the company`s human resource programmed, they are not put in to practice in an effective way or are not sufficient to satisfy the needs of all employees. This paper, therefore, tries to analyze the packages used and come across weakness of the company`s employee retention system.

1.4. Objective of the Study

1.4.1. General Objective

The main objectives of the study are to examine the retention strategies used by taking the case of CBE and to suggest some action to be taken improve retention practice.

1.4.2. Specific objectives

Specifically the objectives of the study are:-

- ✓ To closely look at the challenges of retention i.e. factors that make employees leave the organization
- ✓ To analyze measures taken by the bank to retain its employees
- ✓ To identify which retention packages are more effective in attaining its goal and what are short comes of these measures
- ✓ To provide recommendations on how to improve the retention practice

1.5. Significance of the study

Retaining employees are the challenging task but a good way towards attaining objectives of company. Therefore, identifying and solving the problems that surround employee retention strategies is very important to gain effective contribution from it. The significance of the study is embodied in these facts:-

- ✓ The writer hopes that the finding of the study will make the company aware that no single employee retention strategy will satisfy all employees equally and hence shall use different mixes.
- ✓ It is also assumed that findings of the study will initiate concerned bodies to take measures towards those major problem areas.
- ✓ The study may also promote the frontiers of knowledge by enriching the existing knowledge
- ✓ Finally, the study will suggest some possible solutions up on each employee retention problem of the company can be solved.

1.6. Scope and Limitations

Employee is one of the most invaluable resources of a company. Retaining the staffs helps enjoy the benefits derived from them. Generally, there are two measures towards retaining employees: proactive and reactive. The scope of this paper is, therefore, on the employee retention practice of the case organization. The issue of employee retention is not much researched area. Therefore, not enough secondary data is available.

Chapter Two

2. Literature Review

2.1. What is Retention?

The word retention refer to a company`s ability to keep talented employees people who will help their organization remain competitive in a world of rapid change. Retaining good employees is arguably among the most essential ingredients for success in today`s knowledge economy. Because it`s people not machine or financial assets who acquire, build on, and use the very knowledge that companies depend on to survive and thrive in times of accelerating change (http\\:www.harvard training).

2.1.1. Retention is Relative

From an organization`s point of view, retention doesn`t mean trying to hang on to every employee forever. it means keeping good employees for the most appropriate amount of time for their particular function or level.

One thing that retention is not is continuing to invest in employees who, for whatever reason, are not contributing in positive way to the company. The importance of retention can also vary widely from culture to culture. In some countries, employees tend to stay at one company for their entire professional lives, while in other countries, they move from firm to firm frequently, depending on available opportunities and their interests and priorities. Even within one culture or country (or within one geographic region), attention to keeping good employees may fluctuate, depending on economic conditions and shifting workplace realities.

2.1.2. Why People Stay

People stay with a company for many different reasons, including job security, a culture that recognizes the importance of work/life balance (that is, having time for family and community life in addition to work, recognition for a job well done, flexible hours and /or dress code, a sense of belonging, a desire to follow tradition, and a fun, or at least compatible, corporate culture and as with the importance of retention, these reasons can vary widely from culture to culture. However, in cultures in which it's assumed that people may freely change jobs, the major motivations for staying are; pride in the organization, compatible supervisor, compensation, affiliation, and meaningful work.

2.1.3. Why People Leave

People also leave an organization for many different reasons, but primarily one or more of the above conditions was either absent at the beginning or has since been eliminated. The company`s leadership shifts. Either the quality of top management`s decisions declines, or new leaders with whom employees don`t yet trust or feel comfortable take the helm. People may also leave because their relationship with their own supervisor becomes too stressful or problematic, and they don`t see any other options in their company. One or more colleagues whom an employee particularly likes and respects leave the firm, thus taking away the affiliation that means so much to that employee. A person`s job responsibilities change so that the work no longer appeals to his or her deepest interests or provides a sense of profound meaning or stimulation.

But perhaps the more central point to keep in mind when thinking about why people leave is this: people most often leave for the wrong reasons. That is, they leave without really understanding why they are unhappy or what opportunities to improve things may exist within the company. Thus they jump from company to company, making the same mistake each time.

2.1.4. Reversing the Pattern

For middle level managers, as well as any other employees who fall victim to this misguided career pattern, human resource professionals and supervisors can help reverse this cycle. By helping employees to clarify why they are unhappy and what opportunities for improving the situation exist within their job and the company.

In general, firms can adopt numerous strategies to retain valued employees, including: recognizing the early warning signs of defection, creating a retention task force whose mission is to build and strengthen the retention of talent throughout the organization, recruiting wisely, making sure to offer competitive compensation and an attractive culture, and supporting employees` career development.

2.2. Why is Retention More Important than Ever?

In today`s business world of intensifying competition, retention constitutes a major weapon in any company`s arsenal. There are three reasons.

2.2.1. The Growing Importance of Intellectual Capital

During the industrial age, a firm`s physical asset such as machinery, plants, and even land determined how strongly it could compete. Now in the knowledge era, intellectual capital defines a company`s competitive age.

Intellectual capital is the unique knowledge and skills that company`s work force possesses. Today`s successful businesses win with innovative new ideas and top notch products and services all of which stem from employees` knowledge and skills such as computer programmer, network engineers, technical designers, and direct marketing analysts. Other possessors of intellectual capitals are:-midlevel managers, top level executives, strategic planning/business development professionals, human resource professionals, and in house legal council

2.2.2. The cost of Employees Turnover

The cost employee turnover involves a lot more than just lost training dollars. Whenever your firm .losses valued worker and then tries to replace him or her, it can incur these costs as well: search expenses, including search firms, news paper ads, and so on, direct interview expense (airfares, hotels, meals, etc), managers` and team members` time spent interviewing, work put on hand until a replacement is hired and trained, and overload on teams, including over time, to get work done during selection and training of replacement.

2.2.3. Retention`s Impacts on Customer Satisfaction and Profitability

Losing a good employee carries another kind of price tag as well: the erosion of customer satisfaction and ultimately customer profitability. The longer employees stay with your firm, the more they get to know the company's customers (or their internal clients) their likes, dislikes, special problem or needs, and unique ways of winning their loyalty. Customers get to know frontline employees, too, and appreciate hearing or seeing a familiar voice or face whenever they do business with your firm.

If those familiar employees leave, customers may not get the same quality of services they`re used to. If they become dissatisfied as a result, they`ll defect to other companies. And just as losing employees can get expensive, so can losing customers.

2.3. What Makes Retention so Challenging?

2.3.1. The Demographic Behind the Compensation for Talent

In some countries, notably the USA, demographic changes have made retention specially challenging. Here are just a few of them more remarkable statistics from the American sense: the work force overall is maturing. Currently, the average age of employee is 35. By the year 2009, 2.75 million workers will have turned 55; by 2010, 3.75 millions will have reached that milestone. Meanwhile, the company has been growing at 2.4% while the work force lags behind at only a 1.2% growth rate. By 2020, the population of Americans in the prime management age

range of 35-45 will be 15% less than it was in 2009. A pronounced shortage of skilled workers and escalating competitions among companies to recruit and retain those that are available.

2.3.2. Changing Economic Developments

In addition to striking demographic changes, many areas of the world are experiencing some dramatic economic shifts; during boom times (as at the end of 20 century in the USA), businesses in general do well financially. They have plenty of money to fund the high salaries and perks that will lure desirable employees away from competitors

. ## 2.3.3. Cultural Expectations

People`s expectations about work also strongly influence retention patterns; in some countries, or geographic regions within a country, companies and employees expect that people will work for one firm during their entire profession life time. Employees, their colleagues, and employees consider one another almost as family, and give each other the same dedications, commitment, and support that one would give family members, in other countries or geographic regions, the culture emphasizes fast-moving and continual change including rapid job-hoping by workers in search of the best possible combination of work, compensation, and future opportunities, in some countries` employment laws make it very difficult to fire or lay off workers. In other regions, however, companies can let employees go easily without required safety net such as a severance package.

2.3.4. Upheavals in the World of Work

Finally, changing economic and cultural circumstances can influence dramatic upheavals in the world of work. Those are trend towards free agency, the dissolving of the old employer/ employee contract, an intensifying need for technical skill, and a growth in internet recruiting. When we put these trends together, it`s clear that companies can no longer expect employees to join them early in life and stay in indefinitely. Instead, firms must actively and creatively encourage good people to stay especially in high tech markets.

2.4. Staying Competitive

Attracting and retaining valuable employees involves competing with other companies that are trying to do the same. When the talent pool shrinks as it does periodically numerous industries competition can grow fierce.

2.4.1. Compensation

Compensation (along with benefits) is the starting point for any firm that wants to remain competitive. In fact, the single greatest threat you may face is higher salaries offered by other organizations. But here`s the good news: shortfalls in the area of compensational are also the easiest to identify and address.

2.4.2. Benefits and Perks

Like compensation, your firm has to provide certain benefits in order to compete in the arena of retention. Today, many companies offer the following basic benefits (in addition to the usual paid vacation and other kinds of leave time): pension and 401(k) plans, 50%-90% of employees` health and dental insurance premiums, a year-end bonus if the companies earned a profit in the preceding 12 months, stock options, onsite or (nearby) offsite child care, paid maternity (and paternity) leave tuition reimbursement, membership to a fitness club or an onsite gym.

As with compensation, even if your firm`s benefits and perks don`t quite measure up to those of the competition, you can still create an attractive benefit package. With an understanding of employees` needs and interests along with some creative thinking your firm can develop customized benefit plans by using especial benefits and perks that don`t add a lot to your budget but mean a lot to employees.

2.4.3. Employee Development

Personal and professional development is uppermost in virtually all employees` mind today. By helping workers take charge of their own growth and career path, your firm can build a loyal work force. Employee development include:- employee self-knowledge, employee knowledge of opportunities within the companies, training(technical and personal), and job sculpting and "stretch" assignments.

2.5. Cultivating the Right Culture

Many employees cite culture as one of the most important reasons for staying with or leaving a company. So, it makes sense to take a close look at this sometimes elusive aspect of business.

Culture is one of those human phenomena that exert an enormous impact on people. Although to a degree culture is intangible, companies can attract and retain valuable employees by being aware of their culture and taking steps to shape it. The process can be challenging but well worth the effort.

2.5.1. The Challenges of Shaping Culture

Shaping a culture can pose the following challenges:
In complexity, all companies' even whole industries have an overall culture, or macro culture, and all but the smallest firms will likely have several micro cultures within that larger micro culture.
In a life of its own, in a sense, culture has a life of its own. Few people get to actually create a culture (aside from entrepreneurs, perhaps, who are starting up new companies) instead; culture arises organically as a combination of the many different aspects of a company.

2.5.2. The Importance of Micro Cultures

Using culture to hire and retain good employees entail knowing and communicating both the macro culture and the appropriate micro culture to potential and existing employees.

However, it`s the micro culture that plays the most powerful role in people`s satisfaction with and enjoyment of their jobs and thus their likelihood of staying.Your micro culture is where you have the best chance of understanding and influencing what it`s like to work at your firms and thus make the change necessary to boost your retention rates.

To focus on micro culture, think about what it`s like to work in your particular department, division, or team (or in the case of a start up, the earliest stage of assembling the staff and establishing way of doing things).

2.5.3. Surveying Your Current Culture

You can`t reshape your micro culture without first taking of what things are like now. You have lost of option for surveying current cultural conditions, including:

Informal conversation with employees, during which you ask what they see as the elements of the culture, and what they like and don`t like about it.

More formal surveys through which employees provide detailed information about the current culture.

Direct observation, by which you (or an consulting professional) figure out the culture by watching employees` behaviors and considering your own impression of the department.

2.5.4. Shaping Your Micro Culture

There are many ways to close the gap between the current and the desired culture. Clearly, fine tuning your micro culture doesn't have to be difficult. All it take to cultivate an appropriate culture is; a willingness to watch and listen, a little creativity and imagination, and an openness to trying new ideas.

2.6. Helping Manager; Help Employees Stay

Managers and team leaders play a central role in a company`s retention rates whether they are over seeing a handful of employees or extensive department or divisions.

For many employees, the relationship with a direct supervisor is more important than pay or perks. An employee may join a company because of its generous benefit and fun culture but it`s the relationship with his or her immediate supervisor that often determines how long that individual stays. In the past, many managers thought that they weren`t responsible for keeping good employees. They assumed that people left the company because they found a better job, or they had to accompany a spouse who was offered a job in different city, or for other similar reasons.

When employee departures were few and replacement plentiful, manager could afford ignore any company related reasons because they could promptly replace those employees who left the company.

But, today people leave jobs for all the old reasons and a host of new ones including the fact that it`s easier than ever to find another great job elsewhere. One big reason that people even think about leaving is that a particular supervisor didn`t do what he or she needed to do to keep them. And today, replacements aren't plentiful.

2.6.1. Managers` Retention Strategies

Beyond these traditional reactions to the problem, managers have other strategies at their disposal for keeping as many good employees as possible. In general, theses strategies fall in to three categories: - firstly, create a great work environment; attend to concern about the organizational culture (and the work group`s micro culture, cultivate friendly, Supportive relations, share information with employees about the company`s strategic direction and plans (which shows them that you trust them with the knowledge and they`re part of the team.

Secondly, create great job: help employees clarify their core business interests, value and skills and then either sculpt current roles so that they provide a better match, or support employees` search for a more appropriate position elsewhere in the company, let people stretch and develop themselves professionally by taking on interesting challenges, and allow flexible work arrangements such as telecommuting and virtual teams.

Thirdly, ask employees for feedback; conduct stay interviews in which managers let people know how important they are to the company and ask what kinds of things will keep them, solicit feedback on the work environment, and ask for feedback on your own supervisory skills.

2.6.2. Retention training for managers

Clearly, all this takes some skill, practice, and reinforcement. Managers just like anyone else might not automatically known how to do these things. Companies can help by: training managers in retention skills, providing avenues by which managers can share their experience, and rewarding and recognizing managers who achieve target retention rates.

To strengthen manager retention abilities, firm can offer workshops, seminars, and other learning Opportunities that focus on how to attract and keep valued employees. The investment will pay big dividend.

Firm can also help managers set the stage for learning by inviting them to reflect on and assess their own retention ability attitudes. If your organization doesn`t have this kinds of training and support available, ask for it. Everyone will benefit.

2.6.3. Avenues for Sharing Experiences

Keeping valued employees requires a complex mix of learnable skills, gut level intuition, and sensitivity. But you as a manager and team leader don't have to struggle alone with this. You can share your experience about retention with other supervisors and team leaders. By exchanging both success and failure stories informally and through periodic meeting you can, help one another avoid typical mistakes and obstacles, build on each other's knowledge and wisdom, monitor how will other's retention rates are meeting the firms goals, and lend mutual moral support.

2.6.4. Recognizing and Rewarding Retention Champs

An oft-heard saying in business is that what gets rewarded gets done. This is as true for retention as it is for any other aspects of business. Firm can convey the message to managers that retention is important by establishing clear retention target rates appropriate for various industries and functions, tying managers' compensation to retention rates, rewarding retention success through bonuses and other means, rewarding managers' efforts to job sculpt, and discouraging "parochial" interest (this narrow perspective arises when managers try to keep high performance even though those employees would be happier and more productive by moving to a different position in the organization) in other words rewarding managers who help good employees leave their groups for another job in the company, rather than trying to hold them back, only to see them go to another firm. By supporting you as a manager in all these ways, companies help you succeed in your crucial role as a retention champion.

2.7. Helping Employees Avoid Burnout

Budget cut, downsizing, rapid advanced technologies, in today's business world, these common developments often lead to additional responsibilities and over load for employees. For most managers, overload carries with it a serious risk: the burnout and possible defection of their best employees.

2.7.1. What is Burnout?

We can think burnout as work exhaustion. It typically manifests itself in employees with those symptoms: low job satisfaction, eroded commitment to the organization, and higher intention to defect. In some cases, you can also see these warning signs: reduced self esteem (when there's just too much to be done, some people blame themselves), decline in feeling of competence and achievement, and a detached or negative approach to colleagues, customers, and clients.

2.7.2. What Causes Burnout?

In a general sense, burnout results from long term involvement in situations that have too many negatives , such as; work overload, conflict demands ("do this, but don't neglect that even for a minute"; "think big and be creative but don't any mistakes."), unclear objective, boredom, and interpersonal conflict. These same situations usually do not have enough positives, such as; real rewards (bonuses, extra time off, etc), acknowledgment of employees' contributions, and the sheer joy of successes.

2.7.3. Why is Burnout Such a Retention Threat?

A big problem with burnout is that it can directly undermine your company`s retention efforts. Because it`s your most highly motivated employees those who feel a strong commitment to their work who are most susceptible to burnout.

Supervisor can contribute to this problem without even realizing it. Most have a natural tendency to assign critical project to top performance and then let them handle the workload on their own. And then, when they have succeeded with one project, supervisors immediately give them another. In many industries and geographic areas, the talent pool shrinks owing to demographic, economic, and workplace changes as a result competition for good employees stiffens. Because employees are being courted in creative ways by several different companies, many of them leave their current employees some companies become short staffed as a result. The employees who remain at short staffed firms are doing the same amount or more work force used to handle. They become overwhelmed and leave, putting even more of a bourdon on remaining employees**.**

Our firms fight these forces by using the following several strategies:- practice creative staffing, manage burn out, and regularly rerecruit your top talent.

2.7.3.1. Practice Creative Staffing

One way to avoid the overload cycle is to create a long term, strategic staffing plan that ensures there are enough people and the right people to do the job by; line supervisor can work closely with the human resources department and upper management to define a staffing strategy that will meet department and company needs. Not all of this will be entirely in line with supervisors` control but these supervisors can do their best to clarify their needs and resources. Understand that you may not always be able to get the best person you want for the job but you can get the second best, and then bring that person up to speed.

2.7.3.2. Manage Burnout

Another way to avoid the high price tag of overload is for managers to actively minimize work exhaustion and learn how to manage exhausted employees by minimizing work exhaustion to alleviate the exhaustion that can prompt people to leave, managers by aware of them issue, monitor workloads and morale, (especially among your top performer), be aware of who your hero managers, show your appreciation for valued workers and considering redesign some jobs. Managing exhausted employees, acknowledge cries for help such as I don`t know how to keep up or look like I am going to have to work over the weekend again and address these frustration with overloaded employees. When you hear these cries, take the following steps:-determine whether the cries of help are coming from work exhaustion or some other source, identify what the employee thinks is the problem, decide what truly needs to change to alleviate the situation, and develop an action plan.

2.7.3.3. Regularly Recruit your top talent

Don`t fall into the all-too-common trap of taking valued employees for granted or assuming that, because they work for you know, they will want to keep working for you. Instead, assume that you need to constantly rerecruit them. Decide which one third of your people are your top performers. Then remind yourself often that these individuals are the ones who are always being recruited by your firm`s competitors, frequently show your best people how much you appreciate them whether it is through informal and heartfelt thanks for a job well done, small but meaningful tokens of appreciation such as notes or flowers or tickets to an event, or more substantial thanks in the form of a bonus or extra comp time.

Chapter three

3. Methodology

To collect the necessary data both primary and secondary sources are used. Secondary data are obtained from different publications like annual reports, the bank`s record, the internet etc. the primary data will be collected with the help of 45 structured questioners' distributed to the CBE`s head office employees and previous CBE`s staffs currently employed in private banks: nibe bank, hibret bank, wegagen bank, and dashen bank.

Chapter Four

4. Data Presentation and Analysis

CBE uses different packages to retain its employees. Despite this as it was tried to observe from the trends of attrition and data collected, retaining staff become though for the organization. To analyze the reason for employee termination and to measure effectiveness of the packages 45 structured questioners were distributed; 20 was given to the current employees of the bank working at head office and the rest for the former employees currently working in private banks; nibe bank, dashen bank, bibret bank, wegagen bank, oromia international bank, and absinia bank. But only 34 of the questioners are used, or atleast found to be relevant for this study.

It was tried to present and analyze the data in two parts. The first part is based on the responses collected from previous (former) employees and the second part is based on the responses collected from the current employees. The former helps to take proactive measures while the later can be used to take reactive measures in retaining employees.

4.1. The following tables and presentations are based on the response of previous employees of CBE

Table 4.1. Respondents reasons for the leaving the bank and their frequency and percentage.

No	Reasons for leaving	frequency	%
1	dissatisfaction of the job	4	23.53
2	lack of training and development	5	29.41
3	poor recognition and reward	4	23.53
4	dissatisfaction with management	7	41.18
5	in adequate salary and /or benefits	6	35.29
6	boredom with job responsibility	4	23.53
7	poor compensation	2	11.76
8	poor evaluation system	2	11.76
9	poor working condition	4	23.53
10	lack of open communication	1	5.88
11	poor motivation	4	23.53
12	relocation of look place	4	23.53

Source: survey result

Response of 17 former employees of CBE

From the total of 17, 7(41.18%) left the bank because of dissatisfaction with management, 6(35.29%) due to inadequate salary and /or benefits, lack of training and development account for 5(29.41) of attrition. Poor recognition and reward, boredom with job responsibility, poor working condition, poor motivation, and relocation of work place rated equally accounted for 4(23.53%) of attrition each. This is caused by poor worker management relationship and inadequate salary scale level. In fact the organization has made salary adjustment, even though the attrition rate continues to rise. This shows that the bank should give emphasis on training and development programs recognition and rewards given and improving working conditions which account for high attrition level next to salary and/ or benefits.

Table 4.2. Job category and number of years worked in the position

Job category	Number of years worked					
	Less than 2 years	2-5 years	6-10 years	11-15 years	Greater than 15 years	total
Administration staff	-	-	-	-	-	-
Cleric and accountant	6(35.29%)	4(23.5%)	1(5.88%)	1(5.88%)	1(5.88%)	13(76.47%)
Other	-	2(11.76%)	2(11.76%)	-	-	4(23.53%)
Total	6	6	3	1	1	17

Source; survey result

Out of the total of 13 respondents in the job category cleric and accountant only one employee stayed for greater than 15 years and 2(11.76%) out of the total of 4 in the others job category stayed only for 6-10 years but no respondent out of the total of 17 in the job category administrative is found

Tale 4.3. respondent`s current payment and previous payment

Previous payment	Current payment				
	Birr 500-999	Birr 1000-1499	Birr 1500-1999	Greater than birr 2000	total
Birr 500-999	-	7	1	1	9
Birr 1000-1499	-	1	2	2	5
Birr 1500-1999	-	-	1	2	3
Greater than birr 2000	-	-	-	-	-

Source: survey result

Most of the attrition is contributed by higher salary payment given by private banks. 15(88.24%) employees out of the total of 17 left the bank for better salary and/ or benefits. This indicates the presence of inadequate salary and/ benefits in CBE as compared to that provided by private banks.

Table 4.4. cross tabulation between gender category reason for leaving

5females and 12 males filed the questioners out of the total of 17 respondents 12 (70.59%) were

No	Reasons for leaving	Gender category	
		male	female
1	dissatisfaction of the job	3(0.25)	1(20%)
2	lack of training and development	4(33.33%)	-
3	poor recognition and reward	2(16.67%)	2(40%)
4	dissatisfaction with management	5(41.67%)	-
5	in adequate salary and /or benefits	4(33.33%)	2(40%)
6	boredom with job responsibility	3(25%)	1(20%)
7	poor compensation	1(8.33%)	1(20%)
8	poor evaluation system	1(8.33%)	1(20%)
9	poor working condition	2(16.67%)	2(40%)
10	lack of open communication	1(8.33%)	1(20%)
11	poor motivation	2(16.67%)	2(40%)
12	relocation of look place	2(16.67%)	2(40%)

males which show that large number of males left the bank than females. Dissatisfaction with management inadequate salary and/ or benefits, lack of training development, dissatisfaction on the job, and boredom with job responsibility contributed for 5(41.67%), 4(33.33%), 4(33.33%), 3(25%), 3(25%) male employees attrition respectively. There is high level of male workers dissatisfaction with management, which might be caused by poor employee relationship with their direct supervision and which in turn caused by absence of management retention training.

4.2. The following presentations and interpretations are based on the response of current employees.

Table 4.5. Respondents job category and sex

Job category	sex		total
	Male %	Female %	
Administrative staff	8(88.9)	1(5.88)	9
Cleric and accountant	2(11.76)	1(5.88)	3
Others	3(17.65)	2(11.76)	5
total	13	4	17

Source: survey result

As shown out of the total of nine administrated there are 8(88.9%) male administrative staffs, and there is only one 1(11.1%) female administrative. This indicates poor gender diversification. The poor female participation in that position may be because of invisible barrier to women`s success, poor management to discuss and explore gender equity issues, and negligence of understanding of that women`s way of managing are good for businesses.

Table 4.6. respondent`s job category and educational background

Job category	Educational status			total
	diploma	degree	Master degree	
Administrative staff	1(11.1%)	6(66.66%)	2(22.22%)	9
Cleric and accountant	1(33.33%)	1(33.33%)	1(33.33)	3
others	-	5(100%)	-	5

Source: survey result

2(22.22%) of total of 9 administrative staff and 1(33.33%) of total of 3 cleric and accountant has masters degree and none of the respondent and job category others are hold masters degree.

Table 4.7. Employees job category and their intention to leave the organization

Job category	response		total
	yes	No	
Administrative staff	4(44.4%)	5(55.6%)	9
Cleric and accountant	2(66.6%)	1(33.33%)	3
Others	4(80%)	(20%)	5
total	10(58.37%)	7(41.18%)	17

Source: survey result

From the total of 17 sampled respondents 4(44.4%) administrative staff 2(66.67%) cleric and accountants, 4(80%) other workers in sum 10(58.82%) of the respondents have intention to leave the organization. The high intention for administrative staffs to leave the organization might be caused by absence of options of stock and none provisions of especial benefits and perks. And poor relationship with direct supervisor absence of generous benefits and fun culture might force cleric and accountants and other workers to develop the intention of leaving.

Table 4.8. Respondents reason to leave the current organization, their frequency and percentage

Cause of intention of leaving	Frequency	%
dissatisfaction in the current job	3	30
lack of training and development opportunity	4	40
Poor recognition	4	40
Dissatisfaction with management	4	40
Inadequate salaries and benefits	5	50
Boredom with job responsibility	-	0
Poor performance evaluation system	2	20
Dissatisfaction with culture of presentation	2	20
Poor working condition	4	40
Lack of open communication	2	20
Poor motivation	7	70
Poor compensation	3	30
Poor employee counseling	1	10
Poorly address life issues	2	20

Source: survey result

As indicated above, out of 10 respondents who have the intention to leave 7(70%) leave because of poor motivation, 5(50%) because of inadequate salaries and /or benefits, because of lack of training and development opportunity, poor recognition, dissatisfaction with management, and poor working condition each accounted for 4(40%) employee attrition.

Table 4.9 Cross tabulation of different motivational practice the company uses and employees level of satisfaction.

Motivational package	level of satisfaction					total
	Very satisfied	satisfied	neutral	dissatisfied	Very dissatisfied	
Training given to develop skills	3(17.6%)	7(41.18%)	4(23.53%)	2(11.76%)	1(5.88%)	17
The organization support efforts through meaningful recognition	2(11.76%)	1(5.88%)	6(35.29%)	6(35.29%)	2(11.76%)	17
Emotional appeal	1(5.88%)	1(11.76%)	3(17.6%)	7(41.18%)	4(23.53%)	17
How quality and productivity are effectively measured and rewarded	1(5.88%)	2(11.76%)	3(17.6%)	8(47.06%)	3(17.6%)	17

Source: survey result

Out of the total of 10 respondents, 3(17.6%), 8(47.06%),11(64.7%), 11(64.7%),are not satisfied by the training given, organizational support provide for efforts, Emotional appeal, efficiency of rewards for quality and productivity, respectively. In general the motivational packages are dissatisfying.

Table 4.10. Cross tabulation between flexibility given and employees` satisfaction level.

flexibility given	level of satisfaction					total
	Very satisfied	satisfied	neutral	dissatisfied	Very dissatisfied	
Choice interims of hours worked	1(55.88%)	4(23.53%)	5(29.41%)	5(29.41%)	2(11.76%)	17
Choice of location of work		7(41.18%)	4(23.53%)	4(23.53%)	2(11.76%)	17
Choice in the job projects under taken		4(23.53%)	9(52.94%)	3(17.6%)	1(55.88%)	17
Choice in learning and training activity	1(5.88%)	5(29.41%)	3(17.6%)	7(41.18%)	1(55.88%)	17
Choice in rewards and benefits		4(23.53%)	6(35.29%)	6(35.29%)	1(55.88%)	17

Source: survey result

From the table it can be learned that 7(41.18%),2(11.76%), 7(41.18%) of the total respondents are not satisfied from choice given in terms of hour worked, learning and training activities, and reward and benefits, respectively.

Table .4.11. Cross tabulation between climate of trust and respondents satisfaction level.

climate of trust	level of satisfaction					total
	Very satisfied	satisfied	neutral	dissatisfied	Very dissatisfied	
Working condition	-	2(11.76%)	6(35.29%)	2(11.76%)	1(55.88%)	17
Manager responsiveness to employee concern	1(55.88%)	1(55.88%)	5(29.41%)	7(41.18%)	3(17.6%)	17
Realistic performance expectation	-	1(55.88%)	6(35.29%)	6(35.29%)	2(11.76%)	17
Openness of communication	2(11.76%)	5(29.41%)	5(29.41%)	5(29.41%)	-	17

Source: survey result

The climate of trust can built through fair working conditions, improving responsiveness of managers to employee concern and increasing openness of communication. 10(58.85), 8(47.06), 5(29.41%) of the respondents are dissatisfied with managers responsiveness, Realistic performance expectation and Openness of communication, respectively. This indicates that majority of the employees do not climate of the trust.

Table .4.12. Cross tabulations between respondent satisfaction level and work value.

Work value	respondent Satisfaction level					total
	Strongly agree	agree	neutral	disagree	Strongly disagree	
Company goals and ways are well communicated	1(55.88%)	6(35.29%)	5(29.41%)	4(23.53%)	-	17
Talent is developed through appropriate projects, roles, and positions	1(55.88%)	5(29.41%)	4(23.53%)	6(35.29%)	1(55.88%)	17
Training is given to enhance knowledge skills and improve productivity	3(17.6%)	8(47.06	2(11.76%)	4(23.53%)	-	17
Atmosphere of fun is created	-	2(11.76%)	4(23.53%)	7(41.18%)	2(11.76%)	17
Organization addresses performance issues and skill gaps insure where no stand	-	4(23.53%)	3(17.6%)	7(41.18%)	1(55.88%)	17
Organization allow involvement in job designing	-	6(35.29%)	5(29.41%)	5(29.41%)	1(55.88%)	17
Organization allows involvement in goal setting	-	7(41.18%)	6(35.29%)	3(17.6%)	1(55.88%)	17
Organization allows involvements in selection of rewards	--	3(17.6%)	2(11.76%)	10(58.85	2(11.76%)	17

Source: survey result

One can learn from the above table that most of the employees i.e, 11(64.71%) agreed that there exists opportunities to enhance knowledge and skill, 7(41.18%) stated that company goals are well communicated, and another 7(41.18%) said that they involve in job designing. Despite these 12(70.59%) said that there exists little or no involvement in the section of rewards, 10(58.85%) responded performance issues and gaps are not addressed, 11(64.71%) explained their disagreements in the presence of atmosphere of fun. This decreases the overall quality of the work value given by employees.

Table 4.13. Employees view on the presence of good relation with their manager.

Relation with manager	Level of agreement				
	Strongly agree	agree	neutral	disagree	Strongly disagree
My manager is encouraging caring, understanding and inspirational	3(17.6%)	3(17.6%)	7(41.18%)	4(23.53%)	17
My manager praises recognizes appreciates	2(11.76%)	4(23.53%)	8(47.06),	3(17.6%)	17
My manager allow for personal and professional development	2(11.76%)	2(11.76%)	8(47.06),	5(29.41%)	17

Source: survey result

As the above table shows most employees have good retention with their managers. 6(35.29%) respondent that their manager encouraging, caring, understanding and inspirational, another 6(35.29%) responded that their manager praises, recognizes and appreciates their effort. Yet 5(29.41%) said that personal and professional development is restricted, and 4(23.53%) indicated that they are not encouraged and/or do not have understanding and inspirational.

Table 4.14. Criteria for evaluating employees view on value proposition.

Criteria	Level of agreement					total
	Strongly agree	agree	neutral	disagree	Strongly disagree	
My manager provides coaching for skill development	1(55.88%)	5(29.41%)	2(11.76%)	6(35.29%)		17
The organization gives high quality training	1(55.88%)	4(23.53%)	5(29.41%)	7(41.18%)		17
The company gives responsibility early and emphasize internal promotion	-	6(35.29%)	4(23.53%)	6(35.29%)	1(55.88%)	17
The exists friendly relationships	2(11.76%)	9(52.94%)	4(23.53%)	1(55.88%)	1(55.88%)	17
My manager gives reward from doing the job	-	1(55.88%)	6(35.29%)	9(52.94%)	1(55.88%)	17

Source: survey result

To have a strong value proposition, it is important to fail or it to the needs, values, and preference of employees. 11(64.71%) responded there exist friendly relationship at work, 6(35.29%) said the organization gives responsibly early, and 6(35.29%) indicates that their manager provides coaching for skill development. But as shown on the table 10(58.82%) do not agree that their manager give reward from doing the job, 6(35.29%) strongly disagree in the presence of coaching for skill development and other 7 are not satisfied with quality of training given.

Table 4.15. Respondents view on the presence of fair compensation reward, and specialization of job, sense of belongingness and trust built.

Inquires	Level of agreement				
	Strongly agree	agree	neutral	disagree	Strongly disagree
Compensation is fair and equitable	-	4(23.53%	2(11.76%)	5(29.41%)	3(17.6%)
Trust is built in on the organization	-	7(41.18%)	8(47.06%)	1(55.88%)	1(55.88%)
High degree of specialization of the job	1(55.88%)	7(41.18%)	4(23.53%)	2(11.76%)	-
There is well defined reward with credible standard	-	2(11.76%)	4(23.53%)	8(47.06%)	3(17.6%)
The rewards are achievable	-	1(55.88%)	6(35.29%)	8(47.06%)	2(11.76%)
The organization help you develop sense of belongingness	-	2(11.76%)	8(47.06%)	3(17.6%)	1(55.88%)

 Source: survey result

The company seems to be strong in developing sense of belongingness, in building trust on the organization and the degree of specialization of job designed i.e. 7(41.18%) built trust on the organization, 7(41.18%) work on specialized job, 5(29.41%) developed sense of belongingness. But some explained their disagreement on presence of well defined standards i.e. 8(47.06%) and fair and equitable compensation i.e. 8(47.06%).

Chapter Five

5. Summery, Conclusion, and Recommendation
5.1. Summery and Conclusion

Based on the finding of the study the following conclusion is reached on: employee retention is becoming very tough and challenging task for the organization. The increasing trend of attrition remind that the little attention and / or effort like adjusting salary proactively done on this area cannot solve the problem. It requires analyzing needs values of staffs and adjusting the employee retention packages/strategies use accordingly.

Reasons given by employee why they left are dissatisfaction with management, inadequate salary and/or benefits, lack of training and development are mentioned among other things. And from the survey it was observed that dissatisfaction on salaries and /or for benefits provided continues to be a serious problem. As researched the dissatisfaction level is increased by 4.7% to reach current rate of 40%. And the 70% of dissatisfaction rate arise from poor motivation and 40% of respondent`s dissatisfaction is on the absence of proper training and development opportunities, a recognition relation with managers, and good working condition reminds how the organizations retention package are poor.

Majority of the employees i.e. 76.47% responded that they are dissatisfied because of absence of involvements in job designing, goal setting and selection of rewards. The organization should try hard on the improvement of those packages.

Some 58.2% of the respondents have intention to leave the organization; some reason of these are poor motivation70%, inadequate salary and/or benefits 50%, lack of training and development 40%, poor recognition, dissatisfaction with management 40%, poor working condition 40%, etc.

Many employees in CBE are dissatisfied by the motivation practice followed. Some of the reasons are little or no training opportunity given 11.76%, poor emotional appeal 64.7%, poor recognition 47.06%, and inefficiency of measurement of quality and productivity 64.7%, etc.

5.2. Recommendation

➢ CBE has to make its rewards realistic and improve involvement in job designing to decrease dissatisfaction on the job.

➢ Most employees might have e.g. clerics and accountant`s better educational and professional background than the job in question actually requires but equally important they may be so confident of their desirability that they won`t really appreciate their new job they will always have an eye out for the bigger, better deal. It is smarter to much prospect's cost, qualifications, and attitude to your firm`s particular situation and needs instead of automatically reach for the most sought after recruits.

➢ It is important for CBE to make it is compensation practice competitive, but compensation is not the only reason that the employees leave their jobs. Other important reasons include unhappiness with an immediate supervisor relationship, dissatisfaction or boredom with job responsibilities, lack of opportunity to develop personally and professionally; and other none monetary concerns. By making a counter offer of a higher salary, the company in effect is revealing to that person that your do not understand his/her reasons for wanting to leave. A big raise might tempt the individual to stop for a time, but eventually he/she will give notice again if those real reasons for the dissatisfaction remain unaddressed.

➢ CBE can keep employees by giving perks unique to the industry or provide free financial consultation, flexible mortage assistance. But to be best in keeping good employees provide good and old fashioned professional and personal development through training, seminars, a well stocked and staff career centre, and other relatively affordable resources.

➢ CBE has to understand and fine-tune micro culture to retain the most appropriate employees. Therefore it has to find out what kind of micro cultures within a micro culture(most of its employees) are looking for, assess the current situation and devise strategies for closing the gaps.

➢ CBE has to help managers and supervisors improve retention by:- offer worships and other training that shows managers how to match job responsibilities to employees` core business interests, work reward values, and skills, provide managers avenues in which to share and learn from one another`s experience with retention, recognize and reward retention champs by establishing clear retention targets for each function, tying compensation to retention rates, and discouraging interpersonal interest.

➢ The organization has to ask its employees how they are doing, help employees to set more realistic standards for themselves, and/ or clarify department`s goals and priorities in order to decrease work overload, unclear objective and interpersonal conflict

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St` Mary University College Open and Distance Learning Education Division Department of Management.

Dear respondent this is the questioners listed on the commercial bank of Ethiopia. It is the questioners that up on the assessment of challenging the employee's retention in commercial bank of Ethiopia.

 So, I politely request you to respond on it by putting cross mark (X) in the space provide.

Thank you for your response!!

Respondent format/ profile.

Age_____Sex_____

Residence/job category _____

Educational status _____

Questionnaires

1. Why the employees leave the bank?

	Yes	No
A. dissatisfaction of the job	▢	▢
B. lack of training and development	▢	▢
C. poor recognition and reward	▢	▢
D. dissatisfaction with management	▢	▢
E. in adequate salary and /or benefits	▢	▢
F. boredom with job responsibility	▢	▢
G. poor compensation	▢	▢
H. poor evaluation system	▢	▢
I. poor working condition	▢	▢
J. lack of open communication	▢	▢
K. poor motivation	▢	▢
L. relocation of look place	▢	▢

2. For how long you stay in the CBE?

a. less than 2 years ▢   b. from 2-5 years ▢   c.   From 6- 10 years ▢
d. from 11-15 years ▢   e. greater than 15 years ▢

3. How much is your previous payment/salary when you employed in the CBE?

a. from birr 500-999 ▢   b. from birr 1000-1499 ▢   c. from birr 1500- 1999 ▢
d. greater than birr 2000 ▢

4. How much is your current payment/salary?

a. from birr 500-999 ▢   b. from birr 1000-1499 ▢   c. from birr 1500- 1999 ▢
d. greater than birr 2000 ▢

5. Do you think to leave the CBE intentionally?

A. yes ☐   B. No ☐

6. What are the causes of intention of leaving the CBE?

	Yes	No
a. dissatisfaction of the job	☐	☐
b. lack of training and development	☐	☐
c. poor recognition and reward	☐	☐
d. dissatisfaction with management	☐	☐
e. in adequate salary and /or benefits	☐	☐
f. boredom with job responsibility	☐	☐
g. poor compensation	☐	☐
h. poor evaluation system	☐	☐
i. poor working condition	☐	☐
j. lack of open communication	☐	☐
k. poor motivation	☐	☐
l. relocation of look place	☐	☐

7. Motivational practice in the commercial of Ethiopia uses

Motivational package	Levels of satisfaction				
	Very satisfied	satisfied	neutral	dissatisfied	Very dissatisfied
Training given to development skills					
The organization support efforts through meaningful recognition					
Emotion appeal					
How quality and productivity are effectively measured and reward					

8. is there flexibility and employees satisfaction in the CBE? Please mark (x) in the following table.

Table 1.

Flexibility	**Satisfaction level**				
	Very satisfied	satisfied	neutral	dissatisfied	Very dissatisfied
Choice in terms of hours worked					
Choice of location of work					
Choice in the job project undertaken					
Choice in learning and training activity					
Choice in rewards and benefits					

Table 2.

Climate of trust	Satisfaction level				
	Very satisfied	satisfied	neutral	dissatisfied	Very dissatisfied
Working condition					
Managers responsiveness to employee concern					
Realistic performance expectation					
Openness of communication					

Table 3.

Work value	Satisfaction level				
	Strongly agree	agree	neutral	disagree	Strongly disagree
Company goals and ways are well communicated					
Talent is developed through appropriate projects, roles, and positions					
Training is given to enhance knowledge skills and improve productivity					
Atmosphere of fun is created					
Organization addresses performance issues and skill gaps insure where no stand					
Organization allow involvement in job designing					
Organization allows involvement in goal setting					
Organization allows involvements in selection of rewards					

Table 4.

Relation with manager	Level of agreement				
	Strongly agree	agree	neutral	disagree	Strongly disagree
My manager is encouraging caring, understanding and inspirational					
My manager praises recognizes appreciates					
My manager allow for personal and professional development					

Table 5

Criteria	Level of agreement				
	Strongly agree	agree	neutral	disagree	Strongly disagree
My manager provides coaching for skill development					
The organization gives high quality training					
The company gives responsibility early and emphasize internal promotion					
The exists friendly relationships					
My manager gives reward from doing the job					

Table 6.

Inquires	Level of agreement				
	Strongly agree	agree	neutral	disagree	Strongly disagree
Compensation is fair and equitable					
Trust is built in on the organization					
High degree of specialization of the job					
There is well defined reward with credible standard					
The rewards are achievable					
The organization help you develop sense of belongingness					

Signed Declaration

This senior essay is my original work and has not been presented for a degree in any other university, and that all sources of material used for the senior essay have been duly acknowledged.

ASSESSMENT OF CHALLENGES

ON EMPLOYEES RETENTION (In

Case of Commercial Bank of Ethiopia)

ST` MARY UNIVERSITY COLLEGE OPEN AND DISTANCE LEARNING EDUCATION DIVISION DEPARTMENT OF MANAGEMENT.

Prepared by- Belete Alemayehu

April, 2013 G.C

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First of all I would like to say my deep gratitude thanks for st. marys University College for creating such interesting knowledgeable chance to learn in for my future knowledge.

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Belete Alemayehu

April, 2013

Table of content

Chapter one

1. Introduction

In today`s competitive world to assure sustainable growth and win the competition, organizations need to utilize its resources effectively and efficiently. As human resource is one of most crucial resources (capital), the personnel of the company are expected to give due attention to their employee`s satisfactions so that they can be able to retain their invaluable resource.

Since one of the most creative areas of personnel management is the prevention of termination, obviously anything the personnel department can do to lessen unwanted separation benefits the organization. Restated, when personnel department can prevent their organizations from losing valuable human resources, the money invested in recruitment, section, orientation and training are not lost. Although a minimum amount of attrition insures a flow of new people in to the organization and promotional opportunities for those already there, each departing employee is a lost investment (David .M.Hurris, Randy.L.Desimore,1994).

Some turnover of staff must be expected but a careful watch is needed to spot any tendency towards a rate of leaving which could affect general morale. The recruiting process is costly, demands constant attention and it should be made obvious to employees that the possibility of their going is taken seriously.

To reduce the loss valuable human resources, personnel department can undertake a variety of actions. Among other thing the company should develop retention plans, conduct retention programs and use different retention strategies that best fit the organization`s goals and objectives. (David .M.Hurris, Randy.L.Desimore, 1994).

This paper tries to study practices of employee retention and challenges facing commercial bank of Ethiopia (CBE)

1.1. Profile of the Company

The year 1963 was a historical point of departure in the history of Ethiopian banking. A new banking proclamation was issued on 23 July of that year which abolished all previous regulations in the field of banking and monetary questions.

This proclamation, which was intended to provide a sound basis for economic expansion was important in that it separated the function of central banking and commercial banking. This it did by splitting the previous state bank in to two sisterly institutions: the national bank of Ethiopia and the commercial bank of Ethiopia.

The function of the national bank, which issued the country`s national currency, was essentially to act as a bankers' bank, and a regulator of monetary and credit conditions. The bank`s role was thus to regulate the supply, availability and cost of money, to manage and administer international reserves, to license and supervise banks, and to perform such other functions as national bankers customarily perform. The bank`s purpose was thus to faster "monetary stability "and a "balance growth of the economy".

The commercial bank which was incorporated as a share company on December 16, 1963 per proclamation on January 1,1964; with a paid up capital of Eth $ 20,000,000 was by contrast intended and provide a means of payment and to make loans, and fulfill the normal duties and responsibilities of a commercial bank.

The present day commercial bank of Ethiopia was established under proclamation No 184 of august 2, 1980. Moreover, according to this proclamation the bank shall have the responsibility to perform as the duties in accordance with the general directives issued to it by the supervising authority, namely the national bank of Ethiopia. those includes receive savings, demand and time deposits; make loans and advances; draw ,accept, discount buy and sell bill of exchange, drafts, and promissory notes payable within or outside Ethiopia; issue letters of credits; buy ,sell, hold or otherwise deal in foreign exchange; under take functions performed by executer and trustee; hold, acquire and sell negotiable instruments and securities by the government or private persons; keep in safes or otherwise, securities, jewels, precious metals and other valuable; issue checks and travelers` cheques, and generally deal with cheques; negotiable, under write or issue bond; act as an agent fore persons and in this capacity, engage in the sell of money and shares. Perform such other banking activities as are customarily carried out by commercial banks. (Belay Gedey, 1987).

1.2. Human Resources

The CBE`S philosophy is that success depends invariably on the qualitative and quantitative strength of its employees. Based on this philosophy, the bank strove in earnest to raise its human and institutional capacity during the year being reviewed. By continuing to employee both professionals and non professionals from the varies institutions of higher learning as well as vocational schools, it raised its overall staff strength by high rate, which is higher than that of the preceding years.

A great effort was also exerted to make the working environment more conducive to the professionals and skill development of its employees. Besides in a bid to motivate the bank`s employees, the board of management approved the upward revised salary scale as per the recommendation forwarded by a consultancy in the preceding year.

As in the past the bank continued to invest a great deal in the skills development its employees through various on the job and off the job training programs. It gave training to a large number of its employees in technical employee development, management development and information technology on a regular basis (annual report 2003/04).

1.3. Statement of the Problem

One of the major problems in the companies human resources programmed is the inability to retain invaluable employees. Due to the lack of enough research conducted on why employee do not stay long and/or terminate early, CBE is facing a big problem in retaining its employees.

Even though some employee retaining packages are included in the company`s human resource programmed, they are not put in to practice in an effective way or are not sufficient to satisfy the needs of all employees. This paper, therefore, tries to analyze the packages used and come across weakness of the company`s employee retention system.

1.4. Objective of the Study

1.4.1. General Objective

The main objectives of the study are to examine the retention strategies used by taking the case of CBE and to suggest some action to be taken improve retention practice.

1.4.2. Specific objectives

Specifically the objectives of the study are:-

✓ To closely look at the challenges of retention i.e. factors that make employees leave the organization
✓ To analyze measures taken by the bank to retain its employees
✓ To identify which retention packages are more effective in attaining its goal and what are short comes of these measures
✓ To provide recommendations on how to improve the retention practice

1.5. Significance of the study

Retaining employees are the challenging task but a good way towards attaining objectives of company. Therefore, identifying and solving the problems that surround employee retention strategies is very important to gain effective contribution from it. The significance of the study is embodied in these facts:-

✓ The writer hopes that the finding of the study will make the company aware that no single employee retention strategy will satisfy all employees equally and hence shall use different mixes.
✓ It is also assumed that findings of the study will initiate concerned bodies to take measures towards those major problem areas.
✓ The study may also promote the frontiers of knowledge by enriching the existing knowledge
✓ Finally, the study will suggest some possible solutions up on each employee retention problem of the company can be solved.

1.6. Scope and Limitations

Employee is one of the most invaluable resources of a company. Retaining the staffs helps enjoy the benefits derived from them. Generally, there are two measures towards retaining employees: proactive and reactive. The scope of this paper is, therefore, on the employee retention practice of the case organization. The issue of employee retention is not much researched area. Therefore, not enough secondary data is available.

Chapter Two

2. Literature Review

2.1. What is Retention?

The word retention refer to a company`s ability to keep talented employees people who will help their organization remain competitive in a world of rapid change. Retaining good employees is arguably among the most essential ingredients for success in today`s knowledge economy. Because it`s people not machine or financial assets who acquire, build on, and use the very knowledge that companies depend on to survive and thrive in times of accelerating change (http\\:www.harvard training).

2.1.1. Retention is Relative

From an organization`s point of view, retention doesn`t mean trying to hang on to every employee forever. it means keeping good employees for the most appropriate amount of time for their particular function or level.

One thing that retention is not is continuing to invest in employees who, for whatever reason, are not contributing in positive way to the company. The importance of retention can also vary widely from culture to culture. In some countries, employees tend to stay at one company for their entire professional lives, while in other countries, they move from firm to firm frequently, depending on available opportunities and their interests and priorities. Even within one culture or country (or within one geographic region), attention to keeping good employees may fluctuate, depending on economic conditions and shifting workplace realities.

2.1.2. Why People Stay

People stay with a company for many different reasons, including job security, a culture that recognizes the importance of work/life balance (that is, having time for family and community life in addition to work, recognition for a job well done, flexible hours and /or dress code, a sense of belonging, a desire to follow tradition, and a fun, or at least compatible, corporate culture and as with the importance of retention, these reasons can vary widely from culture to culture. However, in cultures in which it's assumed that people may freely change jobs, the major motivations for staying are; pride in the organization, compatible supervisor, compensation, affiliation, and meaningful work.

2.1.3. Why People Leave

People also leave an organization for many different reasons, but primarily one or more of the above conditions was either absent at the beginning or has since been eliminated. The company`s leadership shifts. Either the quality of top management`s decisions declines, or new leaders with whom employees don`t yet trust or feel comfortable take the helm. People may also leave because their relationship with their own supervisor becomes too stressful or problematic, and they don`t see any other options in their company. One or more colleagues whom an employee particularly likes and respects leave the firm, thus taking away the affiliation that means so much to that employee. A person`s job responsibilities change so that the work no longer appeals to his or her deepest interests or provides a sense of profound meaning or stimulation.

But perhaps the more central point to keep in mind when thinking about why people leave is this: people most often leave for the wrong reasons. That is, they leave without really understanding why they are unhappy or what opportunities to improve things may exist within the company. Thus they jump from company to company, making the same mistake each time.

2.1.4. Reversing the Pattern

For middle level managers, as well as any other employees who fall victim to this misguided career pattern, human resource professionals and supervisors can help reverse this cycle. By helping employees to clarify why they are unhappy and what opportunities for improving the situation exist within their job and the company.

In general, firms can adopt numerous strategies to retain valued employees, including: recognizing the early warning signs of defection, creating a retention task force whose mission is to build and strengthen the retention of talent throughout the organization, recruiting wisely, making sure to offer competitive compensation and an attractive culture, and supporting employees` career development.

2.2. Why is Retention More Important than Ever?

In today`s business world of intensifying competition, retention constitutes a major weapon in any company`s arsenal. There are three reasons.

2.2.1. The Growing Importance of Intellectual Capital

During the industrial age, a firm`s physical asset such as machinery, plants, and even land determined how strongly it could compete. Now in the knowledge era, intellectual capital defines a company`s competitive age.

Intellectual capital is the unique knowledge and skills that company`s work force possesses. Today`s successful businesses win with innovative new ideas and top notch products and services all of which stem from employees` knowledge and skills such as computer programmer, network engineers, technical designers, and direct marketing analysts. Other possessors of intellectual capitals are:-midlevel managers, top level executives, strategic planning/business development professionals, human resource professionals, and in house legal council

2.2.2. The cost of Employees Turnover

The cost employee turnover involves a lot more than just lost training dollars. Whenever your firm .losses valued worker and then tries to replace him or her, it can incur these costs as well: search expenses, including search firms, news paper ads, and so on, direct interview expense (airfares, hotels, meals, etc), managers` and team members` time spent interviewing, work put on hand until a replacement is hired and trained, and overload on teams, including over time, to get work done during selection and training of replacement.

2.2.3. Retention`s Impacts on Customer Satisfaction and Profitability

Losing a good employee carries another kind of price tag as well: the erosion of customer satisfaction and ultimately customer profitability. The longer employees stay with your firm, the more they get to know the company's customers (or their internal clients) their likes, dislikes, special problem or needs, and unique ways of winning their loyalty. Customers get to know frontline employees, too, and appreciate hearing or seeing a familiar voice or face whenever they do business with your firm.

If those familiar employees leave, customers may not get the same quality of services they`re used to. If they become dissatisfied as a result, they`ll defect to other companies. And just as losing employees can get expensive, so can losing customers.

2.3. What Makes Retention so Challenging?

2.3.1. The Demographic Behind the Compensation for Talent

In some countries, notably the USA, demographic changes have made retention specially challenging. Here are just a few of them more remarkable statistics from the American sense: the work force overall is maturing. Currently, the average age of employee is 35. By the year 2009, 2.75 million workers will have turned 55; by 2010, 3.75 millions will have reached that milestone. Meanwhile, the company has been growing at 2.4% while the work force lags behind at only a 1.2% growth rate. By 2020, the population of Americans in the prime management age

range of 35-45 will be 15% less than it was in 2009. A pronounced shortage of skilled workers and escalating competitions among companies to recruit and retain those that are available.

2.3.2. Changing Economic Developments

In addition to striking demographic changes, many areas of the world are experiencing some dramatic economic shifts; during boom times (as at the end of 20 century in the USA), businesses in general do well financially. They have plenty of money to fund the high salaries and perks that will lure desirable employees away from competitors

. ## 2.3.3. Cultural Expectations

People`s expectations about work also strongly influence retention patterns; in some countries, or geographic regions within a country, companies and employees expect that people will work for one firm during their entire profession life time. Employees, their colleagues, and employees consider one another almost as family, and give each other the same dedications, commitment, and support that one would give family members, in other countries or geographic regions, the culture emphasizes fast-moving and continual change including rapid job-hoping by workers in search of the best possible combination of work, compensation, and future opportunities, in some countries` employment laws make it very difficult to fire or lay off workers. In other regions, however, companies can let employees go easily without required safety net such as a severance package.

2.3.4. Upheavals in the World of Work

Finally, changing economic and cultural circumstances can influence dramatic upheavals in the world of work. Those are trend towards free agency, the dissolving of the old employer/ employee contract, an intensifying need for technical skill, and a growth in internet recruiting. When we put these trends together, it`s clear that companies can no longer expect employees to join them early in life and stay in indefinitely. Instead, firms must actively and creatively encourage good people to stay especially in high tech markets.

2.4. Staying Competitive

Attracting and retaining valuable employees involves competing with other companies that are trying to do the same. When the talent pool shrinks as it does periodically numerous industries competition can grow fierce.

2.4.1. Compensation

Compensation (along with benefits) is the starting point for any firm that wants to remain competitive. In fact, the single greatest threat you may face is higher salaries offered by other organizations. But here`s the good news: shortfalls in the area of compensational are also the easiest to identify and address.

2.4.2. Benefits and Perks

Like compensation, your firm has to provide certain benefits in order to compete in the arena of retention. Today, many companies offer the following basic benefits (in addition to the usual paid vacation and other kinds of leave time): pension and 401(k) plans, 50%-90% of employees` health and dental insurance premiums, a year-end bonus if the companies earned a profit in the preceding 12 months, stock options, onsite or (nearby) offsite child care, paid maternity (and paternity) leave tuition reimbursement, membership to a fitness club or an onsite gym.

As with compensation, even if your firm`s benefits and perks don`t quite measure up to those of the competition, you can still create an attractive benefit package. With an understanding of employees` needs and interests along with some creative thinking your firm can develop customized benefit plans by using especial benefits and perks that don`t add a lot to your budget but mean a lot to employees.

2.4.3. Employee Development

Personal and professional development is uppermost in virtually all employees` mind today. By helping workers take charge of their own growth and career path, your firm can build a loyal work force. Employee development include:- employee self-knowledge, employee knowledge of opportunities within the companies, training(technical and personal), and job sculpting and "stretch" assignments.

2.5. Cultivating the Right Culture

Many employees cite culture as one of the most important reasons for staying with or leaving a company. So, it makes sense to take a close look at this sometimes elusive aspect of business.

Culture is one of those human phenomena that exert an enormous impact on people. Although to a degree culture is intangible, companies can attract and retain valuable employees by being aware of their culture and taking steps to shape it. The process can be challenging but well worth the effort.

2.5.1. The Challenges of Shaping Culture

Shaping a culture can pose the following challenges:
In complexity, all companies' even whole industries have an overall culture, or macro culture, and all but the smallest firms will likely have several micro cultures within that larger micro culture.
In a life of its own, in a sense, culture has a life of its own. Few people get to actually create a culture (aside from entrepreneurs, perhaps, who are starting up new companies) instead; culture arises organically as a combination of the many different aspects of a company.

2.5.2. The Importance of Micro Cultures

Using culture to hire and retain good employees entail knowing and communicating both the macro culture and the appropriate micro culture to potential and existing employees.

However, it`s the micro culture that plays the most powerful role in people`s satisfaction with and enjoyment of their jobs and thus their likelihood of staying.Your micro culture is where you have the best chance of understanding and influencing what it`s like to work at your firms and thus make the change necessary to boost your retention rates.

To focus on micro culture, think about what it`s like to work in your particular department, division, or team (or in the case of a start up, the earliest stage of assembling the staff and establishing way of doing things).

2.5.3. Surveying Your Current Culture

You can`t reshape your micro culture without first taking of what things are like now. You have lost of option for surveying current cultural conditions, including:

Informal conversation with employees, during which you ask what they see as the elements of the culture, and what they like and don`t like about it.

More formal surveys through which employees provide detailed information about the current culture.

Direct observation, by which you (or an consulting professional) figure out the culture by watching employees` behaviors and considering your own impression of the department.

2.5.4. Shaping Your Micro Culture

There are many ways to close the gap between the current and the desired culture. Clearly, fine tuning your micro culture doesn't have to be difficult. All it take to cultivate an appropriate culture is; a willingness to watch and listen, a little creativity and imagination, and an openness to trying new ideas.

2.6. Helping Manager; Help Employees Stay

Managers and team leaders play a central role in a company`s retention rates whether they are over seeing a handful of employees or extensive department or divisions.

For many employees, the relationship with a direct supervisor is more important than pay or perks. An employee may join a company because of its generous benefit and fun culture but it`s the relationship with his or her immediate supervisor that often determines how long that individual stays. In the past, many managers thought that they weren`t responsible for keeping good employees. They assumed that people left the company because they found a better job, or they had to accompany a spouse who was offered a job in different city, or for other similar reasons.

When employee departures were few and replacement plentiful, manager could afford ignore any company related reasons because they could promptly replace those employees who left the company.

But, today people leave jobs for all the old reasons and a host of new ones including the fact that it`s easier than ever to find another great job elsewhere. One big reason that people even think about leaving is that a particular supervisor didn`t do what he or she needed to do to keep them. And today, replacements aren't plentiful.

2.6.1. Managers` Retention Strategies

Beyond these traditional reactions to the problem, managers have other strategies at their disposal for keeping as many good employees as possible. In general, theses strategies fall in to three categories: - firstly, create a great work environment; attend to concern about the organizational culture (and the work group`s micro culture, cultivate friendly, Supportive relations, share information with employees about the company`s strategic direction and plans (which shows them that you trust them with the knowledge and they`re part of the team.

Secondly, create great job: help employees clarify their core business interests, value and skills and then either sculpt current roles so that they provide a better match, or support employees` search for a more appropriate position elsewhere in the company, let people stretch and develop themselves professionally by taking on interesting challenges, and allow flexible work arrangements such as telecommuting and virtual teams.

Thirdly, ask employees for feedback; conduct stay interviews in which managers let people know how important they are to the company and ask what kinds of things will keep them, solicit feedback on the work environment, and ask for feedback on your own supervisory skills.

2.6.2. Retention training for managers

Clearly, all this takes some skill, practice, and reinforcement. Managers just like anyone else might not automatically known how to do these things. Companies can help by: training managers in retention skills, providing avenues by which managers can share their experience, and rewarding and recognizing managers who achieve target retention rates.

To strengthen manager retention abilities, firm can offer workshops, seminars, and other learning Opportunities that focus on how to attract and keep valued employees. The investment will pay big dividend.

Firm can also help managers set the stage for learning by inviting them to reflect on and assess their own retention ability attitudes. If your organization doesn`t have this kinds of training and support available, ask for it. Everyone will benefit.

2.6.3. Avenues for Sharing Experiences

Keeping valued employees requires a complex mix of learnable skills, gut level intuition, and sensitivity. But you as a manager and team leader don't have to struggle alone with this. You can share your experience about retention with other supervisors and team leaders. By exchanging both success and failure stories informally and through periodic meeting you can, help one another avoid typical mistakes and obstacles, build on each other`s knowledge and wisdom, monitor how will other`s retention rates are meeting the firms goals, and lend mutual moral support.

2.6.4. Recognizing and Rewarding Retention Champs

An oft-heard saying in business is that what gets rewarded gets done. This is as true for retention as it is for any other aspects of business. Firm can convey the message to managers that retention is important by establishing clear retention target rates appropriate for various industries and functions, tying managers` compensation to retention rates, rewarding retention success through bonuses and other means, rewarding managers` efforts to job sculpt, and discouraging "parochial" interest (this narrow perspective arises when managers try to keep high performance even though those employees would be happier and more productive by moving to a different position in the organization) in other words rewarding managers who help good employees leave their groups for another job in the company, rather than trying to hold them back, only to see them go to another firm. By supporting you as a manager in all these ways, companies help you succeed in your crucial role as a retention champion.

2.7. Helping Employees Avoid Burnout

Budget cut, downsizing, rapid advanced technologies, in today`s business world, these common developments often lead to additional responsibilities and over load for employees. For most managers, overload carries with it a serious risk: the burnout and possible defection of their best employees.

2.7.1. What is Burnout?

We can think burnout as work exhaustion. It typically manifests itself in employees with those symptoms: low job satisfaction, eroded commitment to the organization, and higher intention to defect. In some cases, you can also see these warning signs: reduced self esteem (when there`s just too much to be done, some people blame themselves), decline in feeling of competence and achievement, and a detached or negative approach to colleagues, customers, and clients.

2.7.2. What Causes Burnout?

In a general sense, burnout results from long term involvement in situations that have too many negatives , such as; work overload, conflict demands ("do this, but don`t neglect that even for a minute"; "think big and be creative but don't any mistakes."), unclear objective, boredom, and interpersonal conflict. These same situations usually do not have enough positives, such as; real rewards (bonuses, extra time off, etc), acknowledgment of employees` contributions, and the sheer joy of successes.

2.7.3. Why is Burnout Such a Retention Threat?

A big problem with burnout is that it can directly undermine your company`s retention efforts. Because it`s your most highly motivated employees those who feel a strong commitment to their work who are most susceptible to burnout.

Supervisor can contribute to this problem without even realizing it. Most have a natural tendency to assign critical project to top performance and then let them handle the workload on their own. And then, when they have succeeded with one project, supervisors immediately give them another. In many industries and geographic areas, the talent pool shrinks owing to demographic, economic, and workplace changes as a result competition for good employees stiffens. Because employees are being courted in creative ways by several different companies, many of them leave their current employees some companies become short staffed as a result. The employees who remain at short staffed firms are doing the same amount or more work force used to handle. They become overwhelmed and leave, putting even more of a bourdon on remaining employees**.**

Our firms fight these forces by using the following several strategies:- practice creative staffing, manage burn out, and regularly rerecruit your top talent.

2.7.3.1. Practice Creative Staffing

One way to avoid the overload cycle is to create a long term, strategic staffing plan that ensures there are enough people and the right people to do the job by; line supervisor can work closely with the human resources department and upper management to define a staffing strategy that will meet department and company needs. Not all of this will be entirely in line with supervisors` control but these supervisors can do their best to clarify their needs and resources. Understand that you may not always be able to get the best person you want for the job but you can get the second best, and then bring that person up to speed.

2.7.3.2. Manage Burnout

Another way to avoid the high price tag of overload is for managers to actively minimize work exhaustion and learn how to manage exhausted employees by minimizing work exhaustion to alleviate the exhaustion that can prompt people to leave, managers by aware of them issue, monitor workloads and morale, (especially among your top performer), be aware of who your hero managers, show your appreciation for valued workers and considering redesign some jobs. Managing exhausted employees, acknowledge cries for help such as I don`t know how to keep up or look like I am going to have to work over the weekend again and address these frustration with overloaded employees. When you hear these cries, take the following steps:-determine whether the cries of help are coming from work exhaustion or some other source, identify what the employee thinks is the problem, decide what truly needs to change to alleviate the situation, and develop an action plan.

2.7.3.3. Regularly Recruit your top talent

Don`t fall into the all-too-common trap of taking valued employees for granted or assuming that, because they work for you know, they will want to keep working for you. Instead, assume that you need to constantly rerecruit them. Decide which one third of your people are your top performers. Then remind yourself often that these individuals are the ones who are always being recruited by your firm`s competitors, frequently show your best people how much you appreciate them whether it is through informal and heartfelt thanks for a job well done, small but meaningful tokens of appreciation such as notes or flowers or tickets to an event, or more substantial thanks in the form of a bonus or extra comp time.

Chapter three

3. Methodology

To collect the necessary data both primary and secondary sources are used. Secondary data are obtained from different publications like annual reports, the bank`s record, the internet etc. the primary data will be collected with the help of 45 structured questioners' distributed to the CBE`s head office employees and previous CBE`s staffs currently employed in private banks: nibe bank, hibret bank, wegagen bank, and dashen bank.

Chapter Four

4. Data Presentation and Analysis

CBE uses different packages to retain its employees. Despite this as it was tried to observe from the trends of attrition and data collected, retaining staff become though for the organization. To analyze the reason for employee termination and to measure effectiveness of the packages 45 structured questioners were distributed; 20 was given to the current employees of the bank working at head office and the rest for the former employees currently working in private banks; nibe bank, dashen bank, bibret bank, wegagen bank, oromia international bank, and absinia bank. But only 34 of the questioners are used, or atleast found to be relevant for this study.

It was tried to present and analyze the data in two parts. The first part is based on the responses collected from previous (former) employees and the second part is based on the responses collected from the current employees. The former helps to take proactive measures while the later can be used to take reactive measures in retaining employees.

4.1. The following tables and presentations are based on the response of previous employees of CBE

Table 4.1. Respondents reasons for the leaving the bank and their frequency and percentage.

No	Reasons for leaving	frequency	%
1	dissatisfaction of the job	4	23.53
2	lack of training and development	5	29.41
3	poor recognition and reward	4	23.53
4	dissatisfaction with management	7	41.18
5	in adequate salary and /or benefits	6	35.29
6	boredom with job responsibility	4	23.53
7	poor compensation	2	11.76
8	poor evaluation system	2	11.76
9	poor working condition	4	23.53
10	lack of open communication	1	5.88
11	poor motivation	4	23.53
12	relocation of look place	4	23.53

Source: survey result

Response of 17 former employees of CBE

From the total of 17, 7(41.18%) left the bank because of dissatisfaction with management, 6(35.29%) due to inadequate salary and /or benefits, lack of training and development account for 5(29.41) of attrition. Poor recognition and reward, boredom with job responsibility, poor working condition, poor motivation, and relocation of work place rated equally accounted for 4(23.53%) of attrition each. This is caused by poor worker management relationship and inadequate salary scale level. In fact the organization has made salary adjustment, even though the attrition rate continues to rise. This shows that the bank should give emphasis on training and development programs recognition and rewards given and improving working conditions which account for high attrition level next to salary and/ or benefits.

Table 4.2. Job category and number of years worked in the position

Job category	Number of years worked					
	Less than 2 years	2-5 years	6-10 years	11-15 years	Greater than 15 years	total
Administration staff	-	-	-	-	-	-
Cleric and accountant	6(35.29%)	4(23.5%)	1(5.88%)	1(5.88%)	1(5.88%)	13(76.47%)
Other	-	2(11.76%)	2(11.76%)	-	-	4(23.53%)
Total	6	6	3	1	1	17

Source; survey result

Out of the total of 13 respondents in the job category cleric and accountant only one employee stayed for greater than 15 years and 2(11.76%) out of the total of 4 in the others job category stayed only for 6-10 years but no respondent out of the total of 17 in the job category administrative is found

Tale 4.3. respondent`s current payment and previous payment

Previous payment	Current payment				
	Birr 500-999	Birr 1000-1499	Birr 1500-1999	Greater than birr 2000	total
Birr 500-999	-	7	1	1	9
Birr 1000-1499	-	1	2	2	5
Birr 1500-1999	-	-	1	2	3
Greater than birr 2000	-	-	-	-	-

Source: survey result

Most of the attrition is contributed by higher salary payment given by private banks. 15(88.24%) employees out of the total of 17 left the bank for better salary and/ or benefits. This indicates the presence of inadequate salary and/ benefits in CBE as compared to that provided by private banks.

Table 4.4. cross tabulation between gender category reason for leaving

5females and 12 males filed the questioners out of the total of 17 respondents 12 (70.59%) were

No	Reasons for leaving	Gender category	
		male	**female**
1	dissatisfaction of the job	3(0.25)	1(20%)
2	lack of training and development	4(33.33%)	-
3	poor recognition and reward	2(16.67%)	2(40%)
4	dissatisfaction with management	5(41.67%)	-
5	in adequate salary and /or benefits	4(33.33%)	2(40%)
6	boredom with job responsibility	3(25%)	1(20%)
7	poor compensation	1(8.33%)	1(20%)
8	poor evaluation system	1(8.33%)	1(20%)
9	poor working condition	2(16.67%)	2(40%)
10	lack of open communication	1(8.33%)	1(20%)
11	poor motivation	2(16.67%)	2(40%)
12	relocation of look place	2(16.67%)	2(40%)

males which show that large number of males left the bank than females. Dissatisfaction with management inadequate salary and/ or benefits, lack of training development, dissatisfaction on the job, and boredom with job responsibility contributed for 5(41.67%), 4(33.33%), 4(33.33%), 3(25%), 3(25%) male employees attrition respectively. There is high level of male workers dissatisfaction with management, which might be caused by poor employee relationship with their direct supervision and which in turn caused by absence of management retention training.

4.2. The following presentations and interpretations are based on the response of current employees.

Table 4.5. Respondents job category and sex

Job category	sex		total
	Male %	Female %	
Administrative staff	8(88.9)	1(5.88)	9
Cleric and accountant	2(11.76)	1(5.88)	3
Others	3(17.65)	2(11.76)	5
total	13	4	17

Source: survey result

As shown out of the total of nine administrated there are 8(88.9%) male administrative staffs, and there is only one 1(11.1%) female administrative. This indicates poor gender diversification. The poor female participation in that position may be because of invisible barrier to women`s success, poor management to discuss and explore gender equity issues, and negligence of understanding of that women`s way of managing are good for businesses.

Table 4.6. respondent`s job category and educational background

Job category	Educational status			total
	diploma	degree	Master degree	
Administrative staff	1(11.1%)	6(66.66%)	2(22.22%)	9
Cleric and accountant	1(33.33%)	1(33.33%)	1(33.33)	3
others	-	5(100%)	-	5

Source: survey result

2(22.22%) of total of 9 administrative staff and 1(33.33%) of total of 3 cleric and accountant has masters degree and none of the respondent and job category others are hold masters degree.

Table 4.7. Employees job category and their intention to leave the organization

Job category	response		total
	yes	No	
Administrative staff	4(44.4%)	5(55.6%)	9
Cleric and accountant	2(66.6%)	1(33.33%)	3
Others	4(80%)	(20%)	5
total	10(58.37%)	7(41.18%)	17

Source: survey result

From the total of 17 sampled respondents 4(44.4%) administrative staff 2(66.67%) cleric and accountants, 4(80%) other workers in sum 10(58.82%) of the respondents have intention to leave the organization. The high intention for administrative staffs to leave the organization might be caused by absence of options of stock and none provisions of especial benefits and perks. And poor relationship with direct supervisor absence of generous benefits and fun culture might force cleric and accountants and other workers to develop the intention of leaving.

Table 4.8.   Respondents reason to leave the current organization, their frequency and percentage

Cause of intention of leaving	Frequency	%
dissatisfaction in the current job	3	30
lack of training and development opportunity	4	40
Poor recognition	4	40
Dissatisfaction with management	4	40
Inadequate salaries and benefits	5	50
Boredom with job responsibility	-	0
Poor performance evaluation system	2	20
Dissatisfaction with culture of presentation	2	20
Poor working condition	4	40
Lack of open communication	2	20
Poor motivation	7	70
Poor compensation	3	30
Poor employee counseling	1	10
Poorly address life issues	2	20

Source: survey result

As indicated above, out of 10 respondents who have the intention to leave 7(70%) leave because of poor motivation, 5(50%) because of inadequate salaries and /or benefits, because of lack of training and development opportunity, poor recognition, dissatisfaction with management, and poor working condition each accounted for 4(40%) employee attrition.

Table 4.9 Cross tabulation of different motivational practice the company uses and employees level of satisfaction.

Motivational package	level of satisfaction					total
	Very satisfied	satisfied	neutral	dissatis fied	Very dissatisfied	
Training given to develop skills	3(17.6%)	7(41.18%)	4(23.53%)	2(11.76%)	1(5.88%)	17
The organization support efforts through meaningful recognition	2(11.76%)	1(5.88%)	6(35.29%)	6(35.29%)	2(11.76%)	17
Emotional appeal	1(5.88%)	1(11.76%)	3(17.6%)	7(41.18%)	4(23.53%)	17
How quality and productivity are effectively measured and rewarded	1(5.88%)	2(11.76%)	3(17.6%)	8(47.06%)	3(17.6%)	17

Source: survey result

Out of the total of 10 respondents, 3(17.6%), 8(47.06%),11(64.7%), 11(64.7%),are not satisfied by the training given, organizational support provide for efforts, Emotional appeal, efficiency of rewards for quality and productivity, respectively. In general the motivational packages are dissatisfying.

Table 4.10. Cross tabulation between flexibility given and employees` satisfaction level.

flexibility given	level of satisfaction					total
	Very satisfied	satisfied	neutral	dissatisfied	Very dissatisfied	
Choice interims of hours worked	1(55.88%)	4(23.53%)	5(29.41%)	5(29.41%)	2(11.76%)	17
Choice of location of work		7(41.18%)	4(23.53%)	4(23.53%)	2(11.76%)	17
Choice in the job projects under taken		4(23.53%)	9(52.94%)	3(17.6%)	1(55.88%)	17
Choice in learning and training activity	1(5.88%)	5(29.41%)	3(17.6%)	7(41.18%)	1(55.88%)	17
Choice in rewards and benefits		4(23.53%)	6(35.29%)	6(35.29%)	1(55.88%)	17

Source: survey result

From the table it can be learned that 7(41.18%),2(11.76%), 7(41.18%) of the total respondents are not satisfied from choice given in terms of hour worked, learning and training activities, and reward and benefits, respectively.

Table .4.11. Cross tabulation between climate of trust and respondents satisfaction level.

climate of trust	level of satisfaction					total
	Very satisfied	satisfied	neutral	dissatisfied	Very dissatisfied	
Working condition	-	2(11.76%)	6(35.29%)	2(11.76%)	1(55.88%)	17
Manager responsiveness to employee concern	1(55.88%)	1(55.88%)	5(29.41%)	7(41.18%)	3(17.6%)	17
Realistic performance expectation	-	1(55.88%)	6(35.29%)	6(35.29%)	2(11.76%)	17
Openness of communication	2(11.76%)	5(29.41%)	5(29.41%)	5(29.41%)	-	17

Source: survey result

The climate of trust can built through fair working conditions, improving responsiveness of managers to employee concern and increasing openness of communication. 10(58.85), 8(47.06), 5(29.41%) of the respondents are dissatisfied with managers responsiveness, Realistic performance expectation and Openness of communication, respectively. This indicates that majority of the employees do not climate of the trust.

Table .4.12. Cross tabulations between respondent satisfaction level and work value.

Work value	respondent Satisfaction level					total
	Strongly agree	agree	neutral	disagree	Strongly disagree	
Company goals and ways are well communicated	1(55.88%)	6(35.29%)	5(29.41%)	4(23.53%)	-	17
Talent is developed through appropriate projects, roles, and positions	1(55.88%)	5(29.41%)	4(23.53%)	6(35.29%)	1(55.88%)	17
Training is given to enhance knowledge skills and improve productivity	3(17.6%)	8(47.06	2(11.76%)	4(23.53%)	-	17
Atmosphere of fun is created	-	2(11.76%)	4(23.53%)	7(41.18%)	2(11.76%)	17
Organization addresses performance issues and skill gaps insure where no stand	-	4(23.53%)	3(17.6%)	7(41.18%)	1(55.88%)	17
Organization allow involvement in job designing	-	6(35.29%)	5(29.41%)	5(29.41%)	1(55.88%)	17
Organization allows involvement in goal setting	-	7(41.18%)	6(35.29%)	3(17.6%)	1(55.88%)	17
Organization allows involvements in selection of rewards	--	3(17.6%)	2(11.76%)	10(58.85	2(11.76%)	17

Source: survey result

One can learn from the above table that most of the employees i.e, 11(64.71%) agreed that there exists opportunities to enhance knowledge and skill, 7(41.18%) stated that company goals are well communicated, and another 7(41.18%) said that they involve in job designing. Despite these 12(70.59%) said that there exists little or no involvement in the section of rewards, 10(58.85%) responded performance issues and gaps are not addressed, 11(64.71%) explained their disagreements in the presence of atmosphere of fun. This decreases the overall quality of the work value given by employees.

Table 4.13. Employees view on the presence of good relation with their manager.

Relation with manager	Level of agreement				
	Strongly agree	agree	neutral	disagree	Strongly disagree
My manager is encouraging caring, understanding and inspirational	3(17.6%)	3(17.6%)	7(41.18%)	4(23.53%)	17
My manager praises recognizes appreciates	2(11.76%)	4(23.53%)	8(47.06),	3(17.6%)	17
My manager allow for personal and professional development	2(11.76%)	2(11.76%)	8(47.06),	5(29.41%)	17

Source: survey result

As the above table shows most employees have good retention with their managers. 6(35.29%) respondent that their manager encouraging, caring, understanding and inspirational, another 6(35.29%) responded that their manager praises, recognizes and appreciates their effort. Yet 5(29.41%) said that personal and professional development is restricted, and 4(23.53%) indicated that they are not encouraged and/or do not have understanding and inspirational.

Table 4.14. Criteria for evaluating employees view on value proposition.

Criteria	Level of agreement					total
	Strongly agree	agree	neutral	disagree	Strongly disagree	
My manager provides coaching for skill development	1(55.88%)	5(29.41%)	2(11.76%)	6(35.29%)		17
The organization gives high quality training	1(55.88%)	4(23.53%)	5(29.41%)	7(41.18%)		17
The company gives responsibility early and emphasize internal promotion	-	6(35.29%)	4(23.53%)	6(35.29%)	1(55.88%)	17
The exists friendly relationships	2(11.76%)	9(52.94%)	4(23.53%)	1(55.88%)	1(55.88%)	17
My manager gives reward from doing the job	-	1(55.88%)	6(35.29%)	9(52.94%)	1(55.88%)	17

Source: survey result

To have a strong value proposition, it is important to fail or it to the needs, values, and preference of employees. 11(64.71%) responded there exist friendly relationship at work, 6(35.29%) said the organization gives responsibly early, and 6(35.29%) indicates that their manager provides coaching for skill development. But as shown on the table 10(58.82%) do not agree that their manager give reward from doing the job, 6(35.29%) strongly disagree in the presence of coaching for skill development and other 7 are not satisfied with quality of training given.

Table 4.15. Respondents view on the presence of fair compensation reward, and specialization of job, sense of belongingness and trust built.

Inquires	Level of agreement				
	Strongly agree	agree	neutral	disagree	Strongly disagree
Compensation is fair and equitable	-	4(23.53%	2(11.76%)	5(29.41%)	3(17.6%)
Trust is built in on the organization	-	7(41.18%)	8(47.06%)	1(55.88%)	1(55.88%)
High degree of specialization of the job	1(55.88%)	7(41.18%)	4(23.53%)	2(11.76%)	-
There is well defined reward with credible standard	-	2(11.76%)	4(23.53%)	8(47.06%)	3(17.6%)
The rewards are achievable	-	1(55.88%)	6(35.29%)	8(47.06%)	2(11.76%)
The organization help you develop sense of belongingness	-	2(11.76%)	8(47.06%)	3(17.6%)	1(55.88%)

Source: survey result

The company seems to be strong in developing sense of belongingness, in building trust on the organization and the degree of specialization of job designed i.e. 7(41.18%) built trust on the organization, 7(41.18%) work on specialized job, 5(29.41%) developed sense of belongingness. But some explained their disagreement on presence of well defined standards i.e. 8(47.06%) and fair and equitable compensation i.e. 8(47.06%).

Chapter Five

5. Summery, Conclusion, and Recommendation
5.1. Summery and Conclusion

Based on the finding of the study the following conclusion is reached on: employee retention is becoming very tough and challenging task for the organization. The increasing trend of attrition remind that the little attention and / or effort like adjusting salary proactively done on this area cannot solve the problem. It requires analyzing needs values of staffs and adjusting the employee retention packages/strategies use accordingly.

Reasons given by employee why they left are dissatisfaction with management, inadequate salary and/or benefits, lack of training and development are mentioned among other things. And from the survey it was observed that dissatisfaction on salaries and /or for benefits provided continues to be a serious problem. As researched the dissatisfaction level is increased by 4.7% to reach current rate of 40%. And the 70% of dissatisfaction rate arise from poor motivation and 40% of respondent`s dissatisfaction is on the absence of proper training and development opportunities, a recognition relation with managers, and good working condition reminds how the organizations retention package are poor.

Majority of the employees i.e. 76.47% responded that they are dissatisfied because of absence of involvements in job designing, goal setting and selection of rewards. The organization should try hard on the improvement of those packages.

Some 58.2% of the respondents have intention to leave the organization; some reason of these are poor motivation70%, inadequate salary and/or benefits 50%, lack of training and development 40%, poor recognition, dissatisfaction with management 40%, poor working condition 40%, etc.

Many employees in CBE are dissatisfied by the motivation practice followed. Some of the reasons are little or no training opportunity given 11.76%, poor emotional appeal 64.7%, poor recognition 47.06%, and inefficiency of measurement of quality and productivity 64.7%, etc.

5.2. Recommendation

- CBE has to make its rewards realistic and improve involvement in job designing to decrease dissatisfaction on the job.
- Most employees might have e.g. clerics and accountant`s better educational and professional background than the job in question actually requires but equally important they may be so confident of their desirability that they won`t really appreciate their new job they will always have an eye out for the bigger, better deal. It is smarter to much prospect's cost, qualifications, and attitude to your firm`s particular situation and needs instead of automatically reach for the most sought after recruits.
- It is important for CBE to make it is compensation practice competitive, but compensation is not the only reason that the employees leave their jobs. Other important reasons include unhappiness with an immediate supervisor relationship, dissatisfaction or boredom with job responsibilities, lack of opportunity to develop personally and professionally; and other none monetary concerns. By making a counter offer of a higher salary, the company in effect is revealing to that person that your do not understand his/her reasons for wanting to leave. A big raise might tempt the individual to stop for a time, but eventually he/she will give notice again if those real reasons for the dissatisfaction remain unaddressed.
- CBE can keep employees by giving perks unique to the industry or provide free financial consultation, flexible mortage assistance. But to be best in keeping good employees provide good and old fashioned professional and personal development through training, seminars, a well stocked and staff career centre, and other relatively affordable resources.
- CBE has to understand and fine-tune micro culture to retain the most appropriate employees. Therefore it has to find out what kind of micro cultures within a micro culture(most of its employees) are looking for, assess the current situation and devise strategies for closing the gaps.
- CBE has to help managers and supervisors improve retention by:- offer worships and other training that shows managers how to match job responsibilities to employees` core business interests, work reward values, and skills, provide managers avenues in which to share and learn from one another`s experience with retention, recognize and reward retention champs by establishing clear retention targets for each function, tying compensation to retention rates, and discouraging interpersonal interest.
- The organization has to ask its employees how they are doing, help employees to set more realistic standards for themselves, and/ or clarify department`s goals and priorities in order to decrease work overload, unclear objective and interpersonal conflict

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