



**SCHOOL OF GRADUATE STUDIES**

**MASTER OF BUSINESS ADMINISTRATION (MBA)**

**FACTORS INFLUENCING EMPLOYEE LOYALTY IN THE CASE OF  
COMMERCIAL BANKS OF ETHIOPIA, ADDIS ABABA SOUTH  
DISTRICT**

**BY**

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**JULY, 2020**

## Statement of Certification

I am Zegeye Bekele Asbu to certify this thesis which I now submit for examination for the award of Masters of Business Administration(MBA), is entirely my work and not taken from the work of others and to the extent that such work cites and acknowledge within the text of my work. This thesis prepares a contract to the regulations of postgraduate study of the St'marry University. The work reports on in this thesis also conform to the principles and requirements of ethics in research. This is to certify that I am responsible for the work submitted in this thesis, that the original work is my own except as specified in acknowledgments or footnotes, and that neither the thesis nor the original work contained therein has been submitted to this or any other institution for a degree.

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ST'MARRY UNIVERITY

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### Statement of Declaration

I, hereby, declare that this thesis entitles “factors influencing employee loyalty in case of commercial banks of Ethiopia, Addis Ababa south district” in partial fulfillment of the requirement of the Degree of Masters in Business Administration with the guidance and support of the research advisor. This thesis is my original work and which was not presented for any degree or diploma program in this or any other university/institution, and that all sources of materials used for the thesis have accordingly acknowledged.

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## Acronyms

Abbreviation	Explanation
CBE	Commercial bank of Ethiopia
SPSS	Statistical Package for Social Sciences
HRM	Human resource management
ATM	Automated teller machine
RII	Relative importance index
SD	Standard deviation

## ABSTRACT

Commercial bank of Ethiopia is the most stable compared to other industries in Ethiopia. As a large number of employees are working in this sector, their loyalty towards their jobs along with other factors has its own effect on the bank's overall performance. The purpose of the study was to describe factors influencing employees' loyalty such as reward fairness, training, job characteristics', and leadership style in the case of commercial banks of Ethiopia Addis Ababa south district. In relation to the methodology, simple random sampling was used to selecting the respondents. The study has been conducted on the basis of the quantitative research techniques to describe those factors which might be influencing employee loyalty in CBE south Addis Ababa district. 185 employees were selected from the total employees of 200 from selected five branches. Data were collected through questionnaire. Finally, the data collected through the questionnaires were coded, entered into computer and analyzed and presented in the form of tables using SPSS version 20 Software. Hence, it is through analysis of the direct relationships that insight is developed between the dependent and independent variables. Employee loyalty (dependent variable) was found to have a strong positive relationship with reward fairness, Training, job characteristics', and leadership style. This research concludes with a discussion of the implications of these findings as well as recommendations for further research in the area. The results of the study indicate that reward fairness, Training, job characteristics', and leadership style had positive or significant direct effect employee loyalty on potential employee in commercial banks of Ethiopia in south Addis Ababa district. The findings depicts that the employees loyalty were highly influenced by reward fairness, Training, job characteristics', and leadership style and helps to improve employer-employee relation. Based on the results, researcher provide some recommendations for CBE to build competitive income system and create effective communication in the organization between employee-employer and focus on employee empowerment, training and development.

**Keywords:** Employee loyalty, training, reward fairness, leadership style, and job characteristics.

# CHAPTER ONE

## 1. INTRODUCTION

This section presents the introductory part of the research. It includes the background of the study, a statement of the problem, objectives of the study, significance of the study, research question, scope of the study, limitation of the study and organization of the paper.

### 1.1 Background of the study

According to Brumbach, G.B. (1998) the success of an organization always depends on the participation and job performance of its employees. They are the one who is responsible for achieving the vision and goals of the organization. Employees who are commit and loyal to the success of the organization and believe that working for this organization is their best option. Employee's positive characteristics trust, caring and feelings towards the work they perform lead to job satisfaction (Coleman, 2010).

According to Seema Mehta employee loyalty can be best described in terms of a process, where certain attitudes give rise to certain behaviors (intend or actual). There are major changes in the business world and the workforce in the last couple of decades. In the past, once employees were hired, they can serve the organization for a long term period and have confidence in that many managers expect their plentiful loyalty, sacrifices, commitment, and willingness to the organization. Similarly, workers show good devotion to their employers. This image of employment loyalty will gradually change with the emergence of "globalization" when employees begin to face restructuring, company relocations, and downsizing and due to emergency internationalization. Employers 'penniless and break the rules', mutual obligations are reconsidering, lifetime employment and devotion are no longer expect, job-hopping is considered to be a normal phenomenon, and people are constantly striving for higher salaries or better working conditions. Loyalty and trust have become more difficult to obtain and give in the workplace. Loyalty seems like a quality that's becoming increasingly harder to find, whether it's employee loyalty to a company or consumer loyalty to a product. In the past, employees believe when they are hired by a company that they will be with that company until they retire. Starting in the 1980s as companies sought to increase profits, workers' perceptions of lifetime

employment are shattered by corporate downsizing, company relocations to other states or countries, and static wages.

According to Seema Mehta (2010), employee loyalty has two dimensions: internal and external. The internal dimension is the emotional component. It includes feelings of caring, honest trust, temperance, courage, generosity, and commitment. This is the dimension that must be nurtured and appeal. The external dimension has to do with the way loyalty manifests itself. This dimension is comprised of the behaviors that display the emotional component and is the part of loyalty that changes the most. The first step is to redefine loyalty as internal feelings which can be manifest and express in a variety of new ways. Instead, what happens most often is that the leaders of an organization feel that they are very loyal to their employees and that the organization has policies in place to reflect that-but that workers don't understand what management is trying to do. On the other hand, employees who feel they are very loyal to their companies aren't demonstrating it in ways of management.

(Hall & Densten, 2002) stated that employee satisfaction is influenced by many factors and each employee's job satisfaction is different from one another. Some of the factors that influence attitude and job satisfaction among employees in organizations are the working environment, chances of promotions, increment, management, and co-workers. Employees are an important resource of their organization that plays a vital role and contribute to the success of the organization. Human resource is always considered as a factor to create success for an organization. Even an organization consisting of modern technologies, good service quality, and infrastructures but does not have sufficient human resources will encounter many difficulties to survive and to create competitive advantages. It can be said that human resource creates differences between organizations. In the era of globalization and rapid information technology development, keeping and use of the human resource with an effective management method is extremely important, pressing, and necessary for businesses. However, how to apply and manage these principles into achieving sustainable value depends on business strategies and the real situation of each business in particular. Employee loyalty demonstrates a strong desire to become a member of the organization, a desire toward a high level of expertise on behalf of the organization, a particular belief within, and acceptance of the values and objectives of the organization concern and leading Factors affecting employee loyalty are age, length of service in

the organization, payroll, work design, leadership style, job characteristics, an organization's treatment of employees, promotion of position, abilities, training, and incentives to the best performing employees. If any of these factors change, then employee loyalty to the organization will change (Ahmad et al., 2002).

Organizational loyalty of the employees in commercial banks of Ethiopia is considered a key tool for its success. Many studies showed that achieving a high level of organizational loyalty is one of the factors that help banks to achieve their objectives. Also, it is considered a prerequisite for many modern organizations because the banks that have employees with a high degree of organizational loyalty are effective, generate significant profits and thus they achieve additional competitive advantage as a result of retaining qualified staff in the banking field. Organizational loyalty is a subject that receives considerable interest from researchers in the field of organizational behavior in the recent period. This interest is attributed to the fact that organizational loyalty of the employees is the most important factor that determines the effectiveness and efficiency of the organization (steers, 1977).

The study was conducted in the commercial bank of Ethiopia (CBE) which is the largest commercial bank in Ethiopia. The bank has around 22,908 employees with over 1000 branches distributed across main cities and regional towns. The bank also operates two branches in South Sudan and is contemplating opening re-opening a branch in Djibouti, and opening branches in Dubai and Washington, DC, all to serve the Ethiopian diaspora. The bank is introducing modern banking systems to Ethiopia and playing a catalytic role in the economic progress and development of the country. It is also the first bank in Ethiopia to introduce ATM service for local users (<https://en.wikipedia.org/wiki>).

## 1.2 Statement of the problem

Employees' loyalty is indeed valuable elements for the success of the organization. However, employees' loyalty in the bank sector is challenging and affected by external market pressure and changing social norms for employee's performance (Mai Ngoc Khuong\*, 2013). Notably, employees must be committed and loyal to their organization. They must be willing and able to give greater effort to help their organizations for success. Good employees feel inspired, initiate, and happy by their good work and care about the future of their organization being successful

and good achievement. The 'carrot and the stick' leadership do not work presently and managers must find new ways to motivate and inspire the employees (Pearson, 1991).

The recent five years data (2014-2018), showed that employees resign and leave from one organization only after a few months of working to seek other jobs, happen in CBE (CBE annual progress report). This is known as the unsolvable problem that made many organizations face a difficult situation to remain their daily operation and cost management since they have to recruit new employees many times. Most of the banking officers are young labors with a university degree. They are all reported to be the most likely group of having the intention to change the job. Most of them are willing to quit their current job if they have a better job's offer from other banks. This fact puts banks in a difficult situation that they have to spend a large amount of money and time to recruit and train new staff several times. Especially in the service field, where the staff's training is considered as the most important factor deciding the success of the organization and the training cost is very high. Therefore, it is crucial for banks to satisfies their employees and retain them for a long time. Employee loyalty is a key challenge in most of the organization to encourage the best and most desirable employees to remain in the organization for a maximum time employees today are different. Once employees feel dissatisfies with the current job, they switch over to the next job. It is the responsibility of the employer to know how to attract, satisfy, and retains its best employees. However, many organizations are facing problems to retain their employees due to certain factors. The costs that are involved in replacing the employee including the cost of attracting applicants, testing, medical exams, and entrance interview, and so on. Besides the replacement cost, the turnover of employees incurs the cost of separation and training costs. This cost will have a direct effect on organizational productivity and good performance. The organization will fall short of its targets state under the business plan because of the cost incurred in employee retention. There is the risk of losing a competitive advantage due to the loss of capable employees in critical sectors or positions. All of these issues show that employee loyalty is very beneficial to organizational performance. To maintain high productivity and keep the employees loyal to the organization, the management provides training & development programs, rewards in the form of bonuses, and promotion to satisfactory performance to motivate the employees. However, issues related to job satisfaction and performance of employees continue to arise from time to time. The management is facing



difficultly in managing the employees especially when the employees' attitude and behavior towards their work are not at a satisfactory level (kutze, 2005).

These consequences will cause poor work performance and productivity is also will affect. Thus, this study tried to investigate the factors influencing employee loyalty, such as reward fairness, leadership style, training, and characteristics of the job.

### 1.3 Research questions

1. To what extent reward fairness influence employee loyalty in the case of commercial banks of Ethiopian in south Addis Ababa district?
2. To what extent training restrain employee loyalty in the case of commercial banks of Ethiopian in south Addis Ababa district?
3. To what extent job characteristics influence employee loyalty in the case of commercial banks of Ethiopian in south Addis Ababa district?
4. Is leadership style affect employee loyalty in the case of commercial banks of Ethiopian in south Addis Ababa district?

### 1.4. General objective

The general objective of this study was to describe factors influencing employees' loyalty in the case of commercial banks of Ethiopia, south Addis Ababa district.

#### 1.4.1 Specific objective

1. To describe the effect of reward fairness on employee loyalty in the case of commercial bank of Ethiopian in south Addis Ababa district.
2. To assess the effect of training on employee loyalty in the case of commercial bank of Ethiopian in south Addis Ababa district.
3. To assess the effect of job characteristics on employee loyalty in the case of commercial bank of Ethiopian in south Addis Ababa district.
4. To describe effect of leadership style on employee loyalty in the case of commercial banks of Ethiopian in the south Addis Ababa district.

### 1.5 Significance of the Study

The results of this study would be significant in a variety of respects. Hence, on the basis of the findings of the study, the report is try some conclusions and identifies certain problems in the commercial bank of Ethiopia especially these it is beneficial to the branches managers.

### 1.6 Delimitation of the Study

Due to the resource constraints (time, finance), the scope of the study was limited to only CBE south Addis Ababa district. The study focused on factors that influence employee loyalty which may also their work satisfaction such as compensation package (reward fairness), leadership, training, and characteristics of the job. The study was targeted employees and branch managers in Addis Ababa south district. The research was conducted within commercial bank of Ethiopia to describe factors influencing employee loyalty of reward fairness, training, job characteristics', and leadership style. The research findings and conclusion presents and understanding of the reward fairness, training, job characteristics', and leadership style associate with employee loyalty in the commercial bank Ethiopia south district.

### 1.7 Definition of terms

1. Factor: a circumstance or situation that influences the result of something (Cambridge dictionary).
2. Influence: the power to affect people or things, or a person or thing that can do this. It can also define as to cause someone to change, belief, or opinion, or to cause something to be changed (Cambridge dictionary).
3. Loyalty: firm might not change friendship or support for a person or an organization as committed for a long term perspective (Cambridge dictionary).
4. Employee: An individual who works part-time or full-time under a contract of management whether oral or written, express or implied and has recognized rights and duties also called worker and obliged to accept the work that provides by the employer (Business dictionary).
5. Employee loyalty: It is defined as employees who are devoted to the success of their organization and believe that being an employee of this organization is in their best interest. Not only do they plan to remain with the organization, but they do not actively seek alternative employment opportunities. Employees are a fundamental

resource for any business. They represent a considerable investment in terms of recruiting and training costs, as well as salaries and benefits. Businesses incur a considerable expense if they need to replace an employee (<https://www.snapsurveys.com>).

### 1.8 Organization of the Study

This thesis contains five chapters. The first chapter (introduction) presents the background of the study, problem statement, research questions, research objective, and the significance of the study. Chapter two comprises summarizes the literature reviews. Chapter three details different issues such as the research design, research strategy, research population, sample size, sampling technique, and data collection procedure. Chapter four focuses on the data analysis, followed by Chapter five which presents the study's findings in detail. Finally, discussion and recommendations are presented in Chapter Six.

## CHAPTER TWO

### 2. LITERATURE REVIEW

This chapter comprises of the theories and interrelates concepts about the topic ‘factors influencing employee loyalty in the case of commercial bank of Ethiopia in south Addis Ababa district’. ‘The theories explain the subject matter of the study, collect from various literary sources, journals, books, and various websites’. Review literature is highly important for evaluating all the gaps in knowledge concerning the issue. In the current scenario of the study, all the theories concerning employee loyalty and its impact on the organizational performance will be reviewed and enumerated. Furthermore, all the relevant models and previous research literature have also evaluated to develop a clear knowledge about the research issue. The theories that are reviewed in this portion are concerning employee loyalty, effective employee loyalty at the organization, factors that influence employee loyalty and motivation. Generally, theoretical literature, which will be used for the subsequent analysis of the empirical findings, is going to be critically reviewed, discussed, compared, and contrasted to (employee loyalty ) of the CBE employee in south Addis Ababa district.

#### 2.1 Defining Employee Loyalty

Employee loyalty can defined in different ways by a different author. According to (Rusbult, 1988), employee loyalty can be defined as a mental connection, commitment, honest and obligation to the organization and develops as a result of high satisfaction. Employee loyalty related with emotional attitude towards the organization in which, the more satisfied an employee the more loyal to their organization. Employee loyalty is wholly almost an employee’s feeling of attachment or concept deals with the behavior of the employees to an organization. This attachment is later connected to more specific behaviors such as supporting an organization and the individuals within it and practicing good citizenship. Such attachment is also thought to be manifest and evident when an employee passes on an attractive position with another organization or simply with one organization for some length of time (Butler & Cantrell, 1984).

According to ( Pina e Cunha, 2002), employee loyalty can be defined as employees are being committed and remain to exist in one organization for long term perspective to the realization and goal achievement of organization and believe that their best option is staying and live for the organization.

Bunyaanudin (2006), defined employee loyalty in three ways

1. A belief and acceptance of the goals and values of the organization,
2. Willingness to use intense effort for Interests of the organization,
3. Desire to maintain membership in the organization and or profession.

According to Seema Mehta (2010), loyalty can be classified into internal and external dimensions. The internal dimension is the emotional component which includes feelings of loving, relationship, and assurance and, the external dimension has to do with the way loyalty manifests itself. This dimension incorporates the behaviors that display the passionate component and is the part of loyalty that changes the most. Hence both internal and external components of employee loyalty have a great contribution to the accomplishment and achievement of organization goals.

#### 2.1.1. Component of employee loyalty

An employee with high loyalty shown, high needs and expectations from the organization in which they work (Setiwati and Zulkaida, 2007).Meyer, Smith, and Spector (2000) explain that there are three components of employee loyalty, namely:

1. Affective job loyalty, when employee psychological attachment become essential and actual to their work area. This loyalty causes, initiate, promote, and inspire the employee to stay in a job because they want.
2. The loyalty of continuous work, these component helps employee to leave and stay in organization on base of profit-loss calculation. This loyalty causes the employee to stay in a job because they need it.
3. Normative work loyalty, these component make employee coercion as obligation to stay in work. This loyalty causes the employee to remain in a job because they feel obligated.

#### 2.1.2. Build Employee Loyalty

Whether the organization is small or large enough, employee loyalty is a continuous process. According to Djodiismanto (2007), there are four ways to increase and maintaining loyalty in the organization.

1. Special attention to specialized employees. This can be achieved by raising the position and increasing the wage as much as possible. Reward fairness and other form of incentives should be distributed based on employee qualification for maintain and holding, of employees for a long time. This method will helps employee to stay and work for prolonged time since their need are meet by the organization.
2. Build a family value. These can be done through the form of lunch and forms of recreation by inviting select employees as get-together. Making the atmosphere relax, intimate pleasure, and attractive. These method helps to improve employer-employee relation.
3. Improve career. Improving the position of employees is necessary to do because this is pride. Employees are most happy when they occupy a higher position. These method helps to increase employee morality.
4. Analysis by analyzing the employee's situation, the leader will know the condition and level of the employee's needs. Each employee has different levels of needs and wants.

According to Sopiah (2008), employee loyalty will build to the organization in such way:

1. Make it charismatic. When the organization vision, mission and objective were charismatic, employee become more inspires, initiate, and stay for long times.
2. Build the tradition. All good traditions and situations will maintain and guard by the next generation continuously and regularly.
3. Have a comprehensive criticism procedure. In every circumstance, whether there are criticisms or complaints from external or internal parties of the organization then the organization shall have procedures to resolve the complaint thoroughly.
4. Provide extensive two-way communication. Provide extensive two-way communication. As much as possible we have Establish two-way communication without underestimating subordinates.
5. Create a sense of community. Make all the elements within the organization as a community in which there are share values, sense of belonging, cooperation, and sharing.

## 2.2. Employee retention

According to Luna-Arocas and Camps (2008), Retention is can be defined as an intentional move by an organization to relate an environment, which engaged employees for the long term

and with the primary aim of preventing the loss of competent employees from the organization. It is true and crucial that retaining, keeping and maintaining of high performing employees had become more challenging for managers. According to Amadasu (2003), employee retention defined as an employees will remain and work for the successful achievement of organizational goals. Employees were move from one organization to other even from one job to other due to attracting and poach by other organization to realization and goal achievements. Maintaining a stable workforce is one of the key sources of sustainable competitive advantage for organizations. It is one thing to employee staff; it is another effort to retain them. Any organization that does not hold its staff will be incurring costs of recruitment, training, and retraining as well as employee disloyalty. Employee retention is important to the overall success of any organization. However, employee retention is viewed from the perspective of employees' willingness to remain in the organization based on the availability of motivating factors and organization success (Oginni, Dunmade & Ogunwole, 2018).

### 2.3 Organization Performance

The organization served as an instrument of purpose. An organization consists of various component working conditions towards achieving a common goal of the organization. Organizational performance can be defined as the actual output or results of an organization as a measure against propose and outcome of output. The organizational performance involves the recruiting activities to establish organizational goals, monitor progress towards the goals, and make an adjustment to achieve those goals more effectively and efficiently. The organizational performance involves three specific areas of firms outcomes: financial performance (profit, return on asset, return on investment), product market performance (sales, market shares), and shareholder returns. Organizational performance reflects the extent to which employees perceived whether they are a delight and treat fairly at work. Spector (1997) stated that to measure job satisfaction, one must have a conceptual understanding of the construct to decided what direct factors to measure are. It plays an important role in the dynamics and outcomes of job satisfaction and organizational behavior (Luthans, 2005). However, it reflects how resources and rewards are distributed amongst employees. Much research has shown that feelings of inequity can lead to negative employee behavior such as theft while feelings of equity frequently lead to job satisfaction, organizational commitment, and organizational citizenship behavior.

Finally, when job satisfaction increases both employee performance and organization performance will increase and they have a direct relationship.

#### 2.4. Importance of employee loyalty

Konrad (2009) will evaluate the importance of employee loyalty to a business. On the other hand, Richardson (2010) has shown that it can be highly beneficial for an organization or business venture. The term loyalty straightly comes from consumer fulfillment. It is because of development as well as the revenue of an organization mainly inspired by customer loyalty. The satisfaction of consumer comes from the value which has form primarily by the employees of the organization. So, here the issue comes as 'employee satisfaction'. Employee satisfaction is needed first which will lead to consumer satisfaction. It makes to feel the crucial role plays by employee loyalty. There is a well-built correlation between employee satisfaction, loyalty, and efficiency of the workforce, customer loyalty, and profit of the organization. The organization indeed works for profit earning. If the management of an organization cares as well as listens to its worker's view, it helps in developing the background of an organization. It helps to gain profit from the organization. A successful business strongly entails loyal employees to maintain and growth of their business they may lead an organization to a successful position, whereas a lack of loyal employees can make the organization worst. Through employee loyalty, an organization can get a competitive advantage. Employee loyalty can help in the successful implementation of the business strategy of a company. Employee loyalty can be formed through the creation of effective share value and culture. The behavior of employers towards its employees should be impressive. It should be presented in such a way that it becomes good for the employees who are enough to motive them. Going that way can able the organization to squeeze more knowledge, capability, gains belief, sincerity as well as consistency. These can be effective steps to create employee loyalty.

#### 2.5 Motivation and Employee Loyalty

According to Fullager et al. (2007), employee motivation is very important to maintain and keep a successful business and also creating employee loyalty. If the employees are not motivated it can be a major problem for the organization. It may stay on as an obstacle for the organization and come in the way of profit earning. In the words of Fred et al. (2007), motivation indicates the practice of inspiring a person to implement a desired and wonderful accomplishment. All human



beings have needs, why should employees be different then. Every employee will want to fulfill those needs through their job. When a person is engaged with an organization, the organization must make sure that the needs of the employee are recognized. Once the needs are recognized, they can be cured by way of correct motivational medicine provided by the organizational heads. Some organizations can be considered with a multi-cultural workforce have problems in offering proper motivation to the employees. It happens due to cultural differences as well as a lack of proper communication between employers and employees. Ellen (2008) believed that to get competitive advancement organizations like CBE must be implemented modern management strategies. These are essential to managing the employees as they are the most important resources for the organization. Effective human resource management can help to address this concern. The motivation of employees can help in improving employee's performance and create employee loyalty. It will lead to enhanced organization's profit and advancement. In the context of employee motivation within CBE, Maslow's hierarchy of need theory can help to identify the needs of the employees. Through the fulfilling of these needs, motivated employees can be leading to better employee loyalty and service to the organization.

## 2.6 Theories of employee loyalty

### 2.6.1 Maslow's hierarchical theory of needs

In system management and motivation theory, hierarchical theory of needs of Abraham Maslow's theory is a broad understanding. A. Maslow said that human behavior stems from needs and human needs are arranged in order from low to the high priority of importance. The position needs to be arranged in the following order: (1) Basic needs or physical needs are the need to ensure that human existence: food, drink, clothing, survival, and development of race and other needs of the body. (2) The demand for safety and security needs such as safety does not threaten, security, standards, and rules. (3) Social needs are the need for love, acceptance, friends, and society. (4) Self-esteem needs are the need for self-respect, respect for others, others' respect, status. (5) The need for self-expression is the need for truth, goodness, beauty, self-reliance, creativity, humor. Maslow would classify needs into two levels: high and low. The low-level needs are physiological needs and safety and security. The senior needs, including social needs, self-esteem, and self-expression. Maslow says that satisfy the low-level needs is easier than high-level needs because low levels needs are limit and can be satisfied from outside. He said that first, the lowest level of operation requires to be fulfilled and so it is the driving force

behind human action - it is a factor. When these needs are satisfied, it is no longer an encouraging factor. Higher-level needs will appear. Maslow's hierarchical theory of needs has an important implication for the management is to motivate employees.

### 2.6.2 The two- factor theory of F. Herzberg

This can be categorized into two parts such as the factors encouraging and maintaining factors. Encouraging factors include achievement, recognition of others, and nature of works, job responsibilities, advancement and progress, and prospects of the development. Maintaining factors include organization policy, supervision, salary, relationships with superiors and colleagues, working conditions, personal life, job position, and assurance. If the encouraging factors are addressed well, it will create satisfaction and which will encourage employees to work hard, and loyalty to the business. Meanwhile, for the maintenance factor, if it is not good resolved, it will create dissatisfaction, but if a good deal will create a not unhappy situation but not necessarily satisfies the condition. The factor F. Herzberg list as follows: Two-factor theory of F. Herzberg has important implications for managers: Firstly, the satisfies elements of employees are different from the factors that create discontent.

### 2.6.3 Expectation theory of Victor H. Vroom

Indeed, human behavior and human motivation are not necessarily determined by reality rather than by people's perception of their expectations in the future. Unlike Maslow and Herzberg, Vroom does not focus on human needs, merely focus on results. This theory revolved around three basic concepts (Kreitner & Kinicki, 2007) or three relationships (Robbins, 2002):

- **Expectancy:** the belief that effort will lead to good results. This concept is expressed through the relationship between effort and performance.
- **Instrumentality:** the belief that good results will lead to rewards. This concept is reflecting in the relationship between the performance, and the reward.
- **Valence:** It is the importance of reward for employees done. This concept is expressed through the relationship between reward and personal goals. Vroom said that the employee is motivated only when their perception of three concepts or three relationships is positive. On the other hand, if they believed that their efforts will produce better results. That result will lead to rewards and meaningful rewards and consistent with their personal goals. So, to motivate workers researchers

to need to consider the perceptions and expectations of persons in terms of the situation, the reward, the ease of implementation in a way that will achieve the rewards, and ensure the bonus is paid. Expectations theory requires managers have to understand the expectations of employees and related these expectations to the goals of the organization. To accomplish this, superiors must create awareness in employees that their efforts will be brought rewards as they desired. Wanting employees to be aware, first, managers have to create satisfaction in their current job, make them satisfied with the condition of the current work environment, satisfaction with the level of leader, colleagues. Thus, making them more confident in their efforts will lead to the result and the reward they want. The satisfaction of reward and punishment fair and will help them to believe that the results they achieved will get recognition as well as the rewards of the organization. This means is the businesses and organizations will have the loyalty of the employees.

#### 2.6.4 Equitable theory of Adam (1963)

Employees in the organization want to be treated fairly. They tend to compare their

Contributions and dedication to the treatments and the rewards they receive (called personals).

Moreover, they compared the contributions, dedications, incentives, and rewards of themselves to colleagues in the organization and others (known as social justice). In most case three possible the circumstance will be obvious such as Firstly if workers are not treated equally well, the reward is not worth the effort they have made, they will be unhappy and then they will not work to the best of their ability, even they will stop working. Secondly, if workers believed that they are treated properly, reward and remuneration are commensurate with the effort they spent continued efforts and their work performance. Thirdly, if employees perceived that rewards and remuneration are higher than what they want they'll work harder. But in this case, they tend to reduce the value of the reward, not valued, and therefore reward the long term rewards will no longer be meaningful incentives. When they compare the contribution, dedication, incentive, and reward themselves with others, people tend to appreciate the contribution, dedication, and appreciate the rewards of others receive treatment. The theory of justice that people want to be treated fairly, but they fall into the state of being treated unfairly, they tend to establish justice for themselves. This theory can also be considered from the perspective of the subject of this research. A business can't get the loyalty of its employees if employees realize that they have

been treated unfairly about income issues, training opportunities, promotion, and support from superiors. When people have to face unfair, they tend to accept, endure because they understand that there is no absolute justice for all and to achieve fairness can't be in the short term. However, if they have to face in a long time, they will not discontent, react and even they will stop working. Due to this feature, the superior must always care workers' perception of fairness, to actively improve the treatment system and make it better and more fairly, not sitting or peace of mind when workers have no idea. Therefore, in this research, the theory needs of Maslow's ladder is used as the basis for both full complement factors work just shortened to scale, in conjunction with using the scale described the adjust JDI (job Descriptive Index) to measure the component elements. So in this research will study four specific factors including reward fairness, training, job characteristics, and leadership style how will affect the loyalty of employees in the organization.

## 2.7 Theoretical literature review

The main factor which might influence employee loyalty in CBE is reward fairness, leadership style, job characteristic's (job type), and training.

### 2.7.1 Reward fairness

All employees are to be much-admired for the dedication or their contributions to organizations in certain ways. Workers can receive in organizations not only have more money and not all people are working for the money. The money will be powerful motivators for workers with low qualifications and the pursuit of material wealth, but money has little impact on those who like to be doing the job challenging or to satisfy the personal ego. The reward is present to encourage the efforts of employees towards achieving the goals of the organization which are linked to reward results and effectiveness of the implementation of the tasks of the employees. In addition to work towards satisfying the personal needs of employees. Reward justice exists when employees realize they deserved to be remuneration with the pressure of work and their role is complete (Netemeyer et al, 1997). Reward fairness will be based on the concept of equitable distribution (Lane & Messe, 1971). The equitable concept will contain both distribute and procedures. Nevertheless, previous studies indicate that the fair distribution of work relationships more important than fair procedures (Netemeyer et al, 1997). Equitable theory indicates a personal comply with its own rules over the attitudes and behavior (Lane & Messe, 1971).

Employees in organizations always want to be treated fairly according to their contribution to the organization. They tend to compare the contributions of their dedication to the incentives and rewards that they receive. Furthermore, they also compare contributions, dedication, incentives, and rewards with other employees. Therefore, if employees see no fairness, they will not work with all their abilities and even to quit work. And if they find they are treated properly, reward and compensation are commensurate with the effort they put out, they will have a positive attitude and willingness to support in the organizations, more loyalty to organizations and businesses for long term perspective.

### 2.7.2 Training

Good employees are often very intrusive, always wishing to assert and complete their work. Realizing small scale organization and business efficiency does not help the career prospects of their development. The employees will leave the organization to other organizations to seek to acquire training and development for the best future. Training and employee development to update skills, new knowledge, which they can apply the new technologies successfully, new technology in the organization. At the same time, workers get the skills needed for advancement, and opportunities can replace managers, professionals. Satisfy the demand for training and employee development will stimulate employees to perform better, achieve more effective, they want to be given the task more challenging with many opportunities for advancement more. Therefore, training is considered as a basic element to meet the strategic objectives of the organization. The quality employee has become one of the competitive advantages of organizations; organizations should be focused on policy and training opportunities for employees to develop themselves. There is such employee loyalty to the organization.

### 2.7.3 Characteristics of the job

According to the job characteristics model of R. Hackman and G. Oldman (1974), a work will bring general employee satisfaction and create effective work well if it is designed in a good manner. Job satisfies the following characteristics: use many different skills, employees understand head and tail of work and work is very important for certain business activities of the organization in general; this work allow employees make a certain number of rights to complete its work and they will be responsible for their decisions; work must have a feedback mechanism on the level of assessment for what employees have to draw lessons for next time. Also, to get

the employee satisfies the job needs to be done per their capacity (Weiss et al., 1967). If work will be assigned to employees require too many skills, or beyond their inherent skills. After such time, the employee will tend to be slow down because they can't finish the job, or stress due to overwork heavy and too their ability. This leads to the ability to leave then organization. Conversely, if good employees are assigned to tasks or work not per their capabilities, expertise incorrectly, the good employees are not expos and use their abilities. Or tasks and repetitive jobs, less complexity, would make good employees get smart aleck, even frustrating. Finally, they will leave the organization. Most employees, especially good employees are always interested in conquering the difficulties, challenges because the leader believed them than the greater responsibility they expected. So, the management will assign to the tasks that require them to think and develop personal capacity, collective strength, and support when necessary to stimulate interest and work effort. Therefore, the leaders need to identify and give people see the role of work and contribution levels, the degree of their importance to the organization, this will help workers understand their role, and their job is done to create a better workforce. Today business environment, especially the young and talented employees wish to capture information from management regularly. They need to evaluate, give honest and truthful attention to self-adjust to suit the job.

#### 2.7.4 Leadership style

The global financial crisis will result in a wave of extraordinary and sudden challenged to the world's economic & political order. In a situation of turbulence, the one key factor that can make a difference, through anticipation and handiness, is Leadership. Leadership as an act of influence, the ability to gain followers and vague concept some as a process and yet others will look at a person's trait qualities. Nel et al. (2004) defined leadership as the process whereby one individual influences others to willingly and enthusiastically direct their efforts and abilities towards attaining defined group or organizational goals. Cole (2005) defined Leadership as a dynamic process whereby one man influences other to contribute voluntarily to the realization and attainment of the goals objectives; aspiration of values of the group that is representing the essence of Leadership is to help a group or an Organization to attain sustainable development and growth. Leadership is a critical factor in the success or failure of an organization; excellent organizations begin with excellent leadership, and successful organizations reflect their leadership. Effective leadership can move organizations from current to future states, create

visions of potential opportunities for organizations, instill within employee's commitment to change, and inspire new cultures and strategies in organizations that mobilized and focus energy and resources. Committed and loyal employees are less likely to develop patterns of tardiness or to be chronically absent from work, that the more favorable an individual's attitudes toward the organization, the greater the individual's acceptance of the goals of the organization, as well as their willingness to exert more effort on behalf of the organization. Employees that are committed are also less likely to leave the organization to explore other opportunities. Organizational commitment has also been shown to positively affect motivation, organizational citizenship, and job performance. Different evidence showed that leadership style is positively associated with work attitudes and behaviors at both an individual and organizational level. These will factual and true that, excellent organizations begin with excellent leadership and successful organizations reflect their leadership (Bass, 1994; 1997). Commitment involves a high level of identification with the organization's goals and values, a willingness to exert extra effort for the benefit of the organization, and a strong desire to maintain membership in the organization. Organizational commitment will show and reflect of organizational effectiveness, where high levels of commitment can lead to several favorable organizational outcomes such as fosters better superior-subordinate relationships; it enhances organizational development, growth, and survival; it improves the work environment; it negatively influences withdrawal behavior such as turnover, lateness, and absenteeism; and it has a positive impact on employees' readiness to innovate and create.

#### 2.8. Empirical literature review

Reward fairness are consistently approved/ acknowledged by the organizations and supervisor as essential elements in inspiring individual employees. According to expectancy theory, an individual's make decision concerning their behavior on their expectation that everyone need a desired outcome. According to Ramayah and Nasurdin (2001), reward wholly includes organizational rewards (Kats & Van Maanan, 1977; Mottaz, 1988) whereby the reward related with doing the job and provide rewards to employee per their contribution and goal achievements.

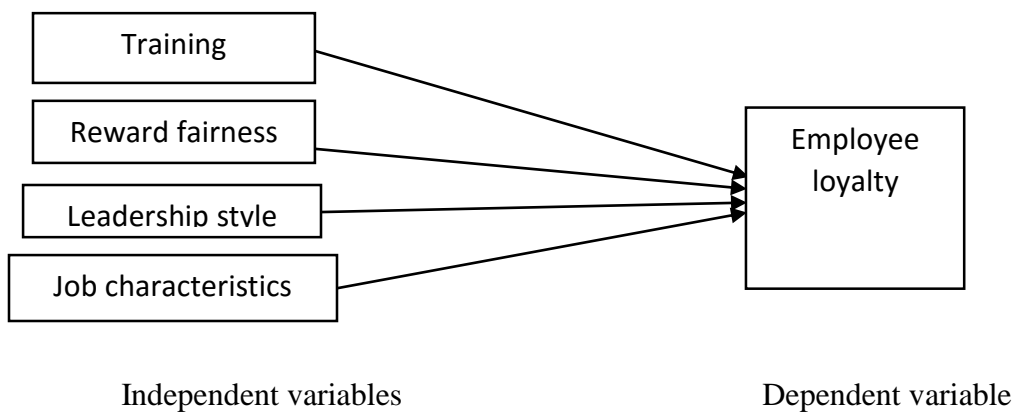
Employee training were essential element for organizations endeavoring Success and for sustainable competitive advantage and survival in the twenty one century. According to Kaplan (2003), company grows, establishing a system for managing behavior and ensuring that the result

are consistent with the goal and strategies of the organization. Gold stem (1980) and Latham (1988),state that training is served as the orderly acquirement and upgrading of the knowledge, skills, altitudes needed by employees to adequately perform and execute an assigned job and tusk to improve organization goal. According to Salas (1999), Trained should import new knowledge and skill and thus meet organization needs, and efficiency and helps to maintain employee loyalty in long term perspective.

According to Kaplan (2003), to maintain the competitive advantage over its rival, the leader of organization would be manage the relationship between employee and employer. Kaplan also proposed that employee loyalty would take place on a regular basis. The way in which an organization manages people can influence its stability (Delany 1996). In particular, employee participation and empowerment essential to maintain good relation between employee-employer.

### 2.9. Conceptual frame work of employee loyalty

The proposed conceptual framework was presented in Figure as below. As discussed in chapter one, the main objective of this study was to describe factors influencing employee loyalty in commercial bank of Ethiopia south Addis Ababa district. To achieve this objective, the study proposes a conceptual framework that illustrates their relations among reward fairness, training, job characteristics, and leadership style of independent variable toward employee loyalty of dependent variable. The following sections discussed the components of the proposed framework. According to Adam et al. (2007), it is crucial “the framework initiates to link to all factors comprising the main issue and define based on the primary objectives”.



(Sources by researcher: 2020)



Figure 1: factor influence employee loyalty

### **Operational definitions**

The following are the definitions that would be integral part of the current study:

**Reward fairness:** organization that offers salary with attractive benefits has high potential to retain and keep their employees, (Ramlall, 2003) If employees are treated properly, reward and compensation are proportionate with the effort they put out, they will have a positive attitude and willingness to support in the organizations.

**Training:** is often interpreted as the activities where an expert and learner work together to effectively transfer information to enhance the good's knowledge, attitude, and or skills. Training is considered as a basic element to meet the strategic objectives of the organization. Training means of learning and teaching employee due to a need for improvement of skills and knowledge (Anthony, 1999).

**Job characteristics':** Work will bring general employee satisfaction and create effective work well if it is designed in a good manner. Employees who have a strong job-role fit with the characteristics of their job will have a higher level of employee loyalty than those employees who lack a strong job-role fit (Weiss et al., 1967).

**Leadership style:** as an act of influence, the ability to gain followers and determine success or failure of an organization; excellent organizations begin with excellent leadership, and successful organizations reflect their leadership (burns, 1978).

## CHAPTER THREE

### 3. RESEARCH DESIGN AND METHODOLOGY

This section focuses on the research methodology which integrates the various techniques that are used to achieve the research objectives. It takes into account issues such as the research design, research strategy, research population, sample size, sampling technique, data collection procedure, and finally data analysis.

#### 3.1 Research design

According to Burns and Bush (2002), the research design is defined as, a set of advance decisions that make up the master plan specifying the methods and\ procedures for collecting and analyzing the need and require information. The Research designs was descriptive research which lays the foundation for a research project since research designs influence the subsequent research activities including the type of data to collect, methods and procedures for data collection as well as the plan for the data analysis (Malhotra, 2007). According to Malhotra (2007), descriptive research design can be used to determine the degree to which dependent and independent variables are associated. This study focuses on describe the relationship between reward fairness, Training, job characteristics, and leadership style toward employee loyalty. The researcher used quantitative research method.

#### 3.2 Research methodology

The research methodology is the systematic way of dealing with the research problem successfully and finding out the scientific way of conducting research. The methodology part tries to describe based on the objectives of the study and answers the question. The researcher used quantitative research methodology and also the researcher used descriptive statistics like: mean, median, mode, and standard deviation (Rajasekar, et al., 2013).

#### 3.3 Research approach

There are two main research approaches which social science research including business studies will conduct. These are qualitative (interpretive) and quantitative (positivist) research approaches (Tashakkori & Teddlie, 1998).

### 3.3.1 Quantitative Research

Saunders (2007) Defines a quantitative research strategy as explaining phenomena by collecting numerical data which are analyzed by using mathematically based methods. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships. The researcher used quantitative research approach.

### 3.4. Data Sources

According to Ghauri and Gronhaug (2005), two types of data sources available for a study include primary and secondary data sources. In line with the research design employed for the current study, the researcher used primary data sources for the study.

#### 3.4.1. Primary Sources of Data

Primary data sources when someone refers to "primary data" they are referring to data collected by the researcher himself/herself. This is data has never been gathered before, whether in a particular way, or at a certain period of time. Researchers gather this type of data by using questionnaire.

### 3.5. Research Population

Saunders (2007) defines the research population as the full set of cases from which the sample is taken. In line it also states that a population is a group of people who are subject to a piece of research. The population for this study was employee working in commercial banks of Ethiopia Addis Ababa Ethiopia south district. The total population involve to the total number of units of phenomenon exist in the area of study that was undergo investigation is 400 staff are presented in five branches'.

#### 3.5.1 The Target Population

The target population was from the employee and managers who have get direct effect from the five branches namely, Jemo, Karakore, Ayartena, Furi, and Lafto branch are target population for these study. The researcher select the sample of 200 staff were conducting to the research.

### 3.5.2 Sample Size and Technique

Sampling techniques according to Saunders (2007), provide a variety of different methods that allow the researcher to lessen the total quantity of data desired and collect by taking into account only data from a sub-group rather than all possible cases. Depending on the confidence level that researchers choose, the interval margins of error and respective range also change. The most used confidence intervals in the social science study literature are the 95%. The narrower the margins of an interval are, the higher was the estimate accuracy. The 95% confidence interval is traditionally the most used interval in the literature and this relates to the generally accepted level of statistical significance  $P < 0.05$  (Kothari, 2004). The researcher will determine the sample size with the use of Yamane (1967) formula to calculate sample sizes.

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

Where  $n$  =, is the sample size

$N$  =, is the total population size

$e$  =, Level of precision (0.05)

From the above equation, the sample size was 200 out of the total population of 400 in commercial bank of Ethiopia south Addis Ababa district. The study was applied simple sampling techniques. According to Kothari (2004), probability sampling was also known as ‘random sampling’ or ‘chance sampling’. Under this sampling design, every item of the universe has an equal chance of inclusion in the sample.

### 3.6. Data Collection tool

Questionnaires were used as a study tool for data collection. Two different sets of structured questionnaires were used for the study including open and close end questionnaires. The use of open and close-end questionnaires ensures that quantitative data can be captured (Vitale et al., 2008). Data was collected using primary data collection instruments such as questionnaire. The researcher would be applied one of probability sampling technique was simple random sampling technique for the sample collection. The study employed questionnaires to gather relevant data from five branches give the respond from 200 questioner 185 employees in the commercial bank of Ethiopia south Addis Ababa district. The researcher used the structured questionnaires as the data collection instrument. The questionnaire was made up of five sections. The questionnaires

are made up of two (2) sections. The first section deal with the demographic characteristics of the respondents, section two paid particular attention to examine factor influencing employee loyalty with the extent reward fairness, Training, job characteristics, and leadership style.

### 3.7. Data Analysis Technique

Data Analysis is the process of systematically applying statistical and/or logical techniques to describe and illustrate, condense and recap, and evaluate data. According to Shamo and Resnik (2003), various analytic procedures provide a way of drawing inductive inferences from data and distinguishing the signal (the phenomenon of interest) from the noise (statistical fluctuations) present in the data. Data analysis is a process of inspecting, cleansing, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains. After Data obtain from the questionnaires the researcher was firstly analyzed in Microsoft Excel and later in the SPSS software. Microsoft Excel allows create various tables and an overview of collected data for descriptive purpose.

### 3.8. Validity and Reliability

The researcher will check the validity and the reliability test to get the quality of the findings of the study to achieve when the reliability of the study attains correspond to its validity. The reliability of this study reaches its highest level by determining whether the participants feel that they are accurate. This will realize throughout the brief, clear and concise preparation of questions in the questionnaire. Besides internal and external validity, construct validity plays important role in the quality of the study by creating similarity between the concept of the study and its findings. This attained through a clear operational definition of the independent variables of the study. In order to make the validity of the study somehow all rounded statistical validity was also aimed to attain. It has achieved through the control of statistical measures of the data analysis. Data analysis was based on the sample size and distribution requirements. Cranach's Alpha test (Nunnally J. 1998), was done and the values are greater than 0.7 as we can see the first part of the analysis. Hence, the validity, reliability and practicality of this study have been ascertained. Reliability test was executed using the cronbach alpha ( $\alpha$ ) to examine the internal consistency. When cronbach alpha ( $\alpha$ ) exceeds 0.70, all items are interrelated and the questioner

is highly reliable (Nunnally, 1978). The value of Cronbach alpha ( $\alpha$ ) of the questioner showed that all the values of the factors were above 0.70; cronbach alpha ( $\alpha$ ) confirmed the reliability of the questioners.

Table 3.1 validity and reliability of the questioners.

No	Variables	Cronbach alpha ( $\alpha$ )
1	Reward fairness	0.85
2	Training	0.71
3	Job characteristics	0.87
4	Leadership style	0.79
5	Employee loyalty	0.91

## CHAPTER FOUR

### 4. Method of Data Presentation, Interpretation, and Analysis

In this chapter, data was presented and analyzed by using descriptive statistics. In this case, the researcher used tables, bar charts, and other forms of graphical illustrations used for presentation. Once the validity of the data gathered, and determined the structural paths in the research model by correlate using a tool such as Statistical Package for the Social Sciences (SPSS) and P-values less than or equal to 0.05 are considered significant. All data analyses are performed using IBM SPSS version 20.

#### 4.1. Demographic profile of respondents

After the research was carried out in CBE, questionnaires were handed and collected from five branches' in Addis Ababa south district. The characteristics of respondents which formed the basis of the analysis of this study are gender, and marital status, education level, income level, and position age of respondents

##### 4.1.1 Gender

Table4. 1: Gender of respondent

Gender	Frequency	Percent	Valid percent
Male	136	73.5	73.5
Female	49	26.5	26.5
Total	185	100	100

(Source by researcher: 2020)

As shown in the above table 4.1 the majority of the respondents were male, which consists of 136 persons (73.5%), whereas the female consists of 26 persons (26.5%) out of the 185 respondents.

#### 4.1.2. Marital status

Table4. 2: Marital status of respondent

Marital status	Frequency	Percent	Valid percent
Single	68	36.8	
Madrid	109	58.9	
Divorce	8	4.3	
Total	185	100	

(Source by researcher: 2020)

Based on the above table 4.2 given, the marital status of the respondent was allocated as follows: the majority of respondent would cover that the marital status group under married accounted for the highest with respondents 109 (58.9%), followed by the single 68 (36.8%) and the least one is divorce accounted 8( 4.3%) out of 185(100%) respondent.

#### 4.1.3. Age

Table4. 3: age of respondents

Age	Frequency	Percent	Valid percent
20-30	53	28.6	28.6
31-40	99	53.5	53.5
41-50	29	15.7	15.7
Above 50	4	2.2	2.2
Total	185	100	100

(Source by researcher: 2020)

As shown above table 4.3 given, the age of the respondent was allocated as follow: researcher could realize that the age group from 31-40 years old accounted for the most with respondents (53.5%), followed by the group 20-30 28.6%, from 41-50 accounted 15.7% and the least one is above 50% that were accounted 2.2% out of 185 respondents.



#### 4.1.4. Educational level

Table4. 4: educational level of respondents

Educational level	Frequency	Percent	Valid percent
Diploma	25	13.5	13.5
Degree	128	69.2	69.2
Master	32	17.3	17.3
Total	185	100	100

(Source by researcher: 2020)

AS shown above table 4.4 given, the educational level was allocated as follow: the majority of respondents hold degree with 128 respondents (69.2%), master's degree 32 respondents (17.3%), and diploma 25 respondents (13.5%) out of 185(100%) respondent.

#### 4.1.5. Income level

Table4. 5: income level of respondents

Income level	Frequency	Percent	Valid percent
2000-4000	4	2.2	2.2
4001-6000	44	23.8	23.8
6001-10,000	82	44.3	44.3
>10,000	55	29.7	29.7
Total	185	100	100

(Source by researcher: 2020)

As shown above table 4.5 given, the income level of respondent was allocated as follow: Concerning income level, majority of respondent scale between 6001-10,000 occupied 44.3% out of 185 respondents. This followed by the above 10,000 which is consists (29.7%) out of the respondents. The lowest income level of the respondents was scale between 2000-4000 which was only 6.2% of the respondents.

#### 4.1.6. Position

Table 4. 6: position of respondents

Position	Frequency	Percent	Valid percent
Staff	40	21.6	21.6
Lover	68	31.4	31.4
Middle	66	35.7	35.7
Top	11	11.4	11.4
Total	185	100	100

(Source by researcher: 2020)

As shown above table 4.6, given, In terms of position, 66 of the 185 respondents representing 35.7% of the employee had a middle level with the majority of them to give respond and next highest number is lower than accounts 58 the respondents representing was 31.4% the rest is the staff and top-level accounted 40, and 21 respondents representing 421.6%, 11.4%% respectively.

#### 4.2. Descriptive outcomes

The importance of various variables engaged in forming the various construct, mainly four in numbers such as reward fairness, job characteristics, training, and leadership style concerning employee loyalty were analyzed and presented in the table below. The tables present the means, median, mode standard deviation. The mean value of the variables ranged from the lowest 4.06 to the highest of 4.37. The highest items mean that “I believe that there is a strong relationship between employee loyalty and their greater factors which might be influenced it and the lower mean of 4.06 and had the highest standard deviation of (S.D) 0.941 indicating the varied response in their particular items. The main purpose of this paper was to investigate factors influence employee loyalty as reward fairness, job characters, training, and leadership style in the commercial bank of Ethiopian south district specifically.

Table 4. 7: Criteria of interpretation the descriptive outcome

No	Mean value	Outcome	(SD)	Outcome
1	4.5-5	Reward fairness, job characteristics, training and leadership style <b>very high</b> influence loyalty	$\leq 0.5$	The respondent score highly close

2	4-4.5	Reward fairness, job characteristics, training and leadership style <b>high</b> influence loyalty	0.5<1	The respondent score very close
3	3.5-4	Reward fairness, job characteristics, training and leadership style <b>average</b> influence loyalty	=1	The respondent score close
4	3.0-3.5	Reward fairness, job characteristics, training and leadership style <b>good</b> influence loyalty	1-1.5	The respondent score partially close
5	2.5-3.0	Reward fairness, job characteristics, training and leadership style <b>poor</b> influence loyalty	1.5-2	The respondent score moderately close

(Source by researcher: 2020)

#### 4.2.1 Reward fairness relation to Employee loyalty

Table 4. 8: Reward fairness toward employee loyalty

No	Reward fairness toward employee loyalty	No of respondent	Mean	SD
1	My organization always creates the favorable conditions for me on leave when I sick or need	185	4.18	0.859
2	My organization always protects the legitimate rights of workers or employee right	185	4.06	0.857
3	I am satisfy and happy with the employee's benefit programs of my organization such as: reward, incentives, insurance and medical care, birthday gifts, buy organization's preference shares.	185	4.20	0.8333
4	Overall, I am satisfy and happy with the company's benefit package	185	4.26	0.847
5	I am satisfy with the recreation programs offer by the organization, such as picnics, annual travel.	185	4.10	0.900

6	My current income is commensurate with my ability and contribution to the organization.	185	4.17	0.836
7	I think the organization I am working pays income very fair and enough.	185	4.26	0.819
8	I absolutely live well with my current income	185	4.22	0.909

(Source by the researcher: 2020)

As it was shown above table 4.8 very large number of (respondent 92.5% n=185), revealed their agreement on the concern of employees, to overall the organization benefit in case that employees were satisfied and happy with fair and enough reward as wholly provided by the organization. In the case, the high mean score was registered (4.26) with a standard deviation of 0.847. Additionally, the same number of respondents agreed or strongly agreed that employees were satisfied with the employee benefits package of the organization such as reward, incentives, insurance, and other benefits with the high mean score of 4.20 and SD 0.833. Respondent had been conveyed their agreement in the case that the organization would have been created a favorable condition in the area when the employee was under the emergency of sick with a high mean score of 4.18 and standard deviation 0.859. The other strongly agreed that employees were lived in the organization with their current income and in these cases the high mean score 4.22 and SD 0.909. When we come to the question, to what extent were reward fairness would influence employee loyalty in the case of CBE south Addis Ababa district? Based on table 4.8 their association between loyalty and reward fairness is high in CBE. All the mean were between 4-4.5 it shows that there was a strong relationship between loyalty and reward fairness in CBE. Accordingly standard deviation all the respondents were answered their question below one, it is shown that the score of respondents very close. Reward fairness and another benefit package would improve employee-employer relation, leads where the employee would have been satisfied and happy and lived for a long period with their current organization. The report has shown that the benefits package or remuneration plays an important role in motivating the employee. It explains that the reward system effects on employees' attitude. If the reward has not been provided to the workers in return for their excellent performance, it leads to demonization. So, the organization needs to concentrate on employees' motivational factors because it is very important to build employee loyalty. Due to employee loyalty, the organization can enhance its

performance to get a competitive advantage. However, reward fairness related to fringe benefit, that employee receive in addition to salary and wage during active job duty and besides after retirement it includes social security, retirement, and insurance, helps the employee to perform job better holding and capture employee for a long time. It plays as a motivating factor that helps to improve employee performance and minimize employee turnover (Kasper et al, 2012).

#### 4.2.2. Training relation with employee loyalty

*Table 4. 9: Training toward employee loyalty*

No	Training toward employee loyalty	No of respondent	Mean	SD
1	The organization is very interest in the training of personnel and development the dynamic young executives.	185	4.22	0.878
2	I am participating in the training program of the organization according to job requirements.	185	4.30	0.791
3	The training program in accordance with my ability and after training, my work skills are more advance.	185	4.23	0.910
4	I have many opportunities to get promoted in my organization	185	4.23	0.824
5	I can aware of the necessary condition and opportunities for promotion to survive in my organization.	185	4.26	0.844
6	I am satisfy with my career development within the organization.	185	4.30	0.900

(Source by the researcher: 2020)

As it was shown above table 4. 9, a very large number of (respondent 92.5% n=185), revealed their agreement on the concern of employee, to overall the organization training in case that employees were satisfied and happy with career development and employee had participated in

training program accordance with job requirement with the organization. In this case, the high mean score was registered (4.30) with a standard deviation of 0.900. Additionally, the same number of respondents agreed or strongly agreed that employees were aware of things for necessary conditions and opportunities which might serve as survival in the organization. In these cases a high mean score of 4.26 and a standard deviation of 0.847 were registered. Respondent had been conveyed their agreement in the case that organization would have been provided favorable conditions for an employee to get training per their ability, skill, and knowledge with mean score 4.23 and standard deviation 0.910. Finally, the same number of the respondent also agree that the organization are provide training for employee of the organization as personnel and developing the dynamic executive but it scores low mean 4.22 and standard deviation of 0.878 relatively too other.

When we come to the question, to what extent the training would influence employee loyalty in the case of commercial banks of Ethiopian in the south Addis Ababa district? Based on table 4.9 their relation between loyalty and training is high in CBE. All the mean were between 4-4.5 it shows that there was a strong relationship between loyalty and training in CBE. Accordingly standard deviation all the respondents were answered their question below one, it is shown that the score of respondents very close. Through the analysis of the following data, it had been observed that the maximum number of respondents is getting training as well as opportunities for developing their career. These facilities help employees in their personal growth. It can enhance their performance as well as bring satisfaction to its customers. In a way, it will motivate employees to be loyal to their company. If it happens, then the employee will lead to enhance the organization's performance by giving their best effort. So, the organization needs to concentrate on employee's motivational factors because it is very important to build employee loyalty. Due to employee loyalty, the organization can enhance its performance to get a competitive advantage.

### 4.2.3 Job characteristics in relation with employee loyalty

*Table 4. 10: Job characteristics' toward employee loyalty*

No	Job characteristics' toward employee loyalty	Response rate	Mean	SD
1	The work I am doing is interesting, challenging and important to the operation of the organization	185	4.32	0.816
2	I get comment and feedbacks from superiors for my work efficiencies.	185	4.08	0.900
3	The work I am doing is suitable with my ability and strengths	185	4.15	0.882
4	My workload is reasonable	185	4.32	0.761

(Source by the researcher: 2020)

As it was shown above table 4.10, a very large number of (respondent 92.5% n=185), revealed their agreement on the concern of employees, to overall the organization's job characteristics since it brought employee satisfaction and create effective work as per work design. The majority of respondents were agreed that the job had been interested, challenged, and related to their ability. In this case, the high mean score was registered (4.32) with a standard deviation of 0.816. Additionally, the same number of respondents agreed or strongly agreed that the employee had not enough comments and feedback from their assigned person in case a mean score of 4.08, and SD 0.900 were registered. The other strongly agreed that the job was suitable and per their skill and ability. In this case, the high mean score of 4.15 and standard deviation 0.882 had been registered.

When we come to the question, to what extent job characteristics would influence employee loyalty in the case of CBE south Addis Ababa district? Based on table 4.10 their association between loyalty and job characteristics was low compared with another factor in CBE even if the mean were between 4-4.5 it shows that there was a strong relationship between loyalty and job characteristics in CBE. Accordingly standard deviation all the respondents were answered their question below one, it is shown that the score of respondents very close. Much of the literature suggests that commitment of employees and in particular, decision-makers is essential to the

achievement of employee loyalty. The personal values of managers are understood to be important, relating to the status of the manager as a 'moral actor'. Also, interactions between organizational culture and personal values of managers are seen to be significant (Hemingway, 2005). The finding of this study also consistent with the study of employees who had different knowledge and different level of perceptions toward performance job characteristics. Likely, employees who had to acknowledge the skill and attitude, policy, operation, and performance of the organization and thus have higher organizational goal achievement than employees with employees have poor knowledge about it. However, job characteristics had a positive impact and would influence employee loyalty.

#### 4.2.4 Leadership style relation to employee loyalty

*Table4. 11: Leadership style towards employee loyalty*

No	Leadership style towards employee loyalty	Mean	Median	Mode	SD	Variance
1	I always have the support and trust from my superiors and classmates at work.	4.31	5	5	0.908	0.825
2	my superiors always listen my opinions and concerns to the benefit of employees	4.37	5	5	0.844	0.712
3	My supervisor is an effective leader, understanding, fair, friendly, respectful and approachable.	4.30	5	5	0.941	0.886
4	My organization have good coordination to worker and achieve the goals of the organization	4.22	4	5	0.909	0.826
5	My supervisor asks for my input or participation in decision making.	4.24	4	5	0.821	0.674

(Source by the researcher: 2020)

As it was shown above table 4.11, a very large number of (respondent 92.5% n=185), revealed their agreement on the concern of employee, to overall the organization leadership style in case that the same number of respondent were strongly agreed that employee opinion and benefits had been listened and heard nearby their supervisor. In this case, the high mean score was registered (4.37) with a standard deviation of 0.844. Additionally, the same number of respondents agreed or strongly agreed that the employee was got the wonderful trust and support from their manager.



In these cases high mean score 4.31 and a standard deviation 0.908. the same number of Respondents had been conveyed their agreement that the manager was an effective leader, can understand the employee of the organization, fair, friendly create good cooperation and coordination as friendly to the employee, give up a good approach, and would respect employee of the organization. The mean score 4.30 and the standard deviation of 0.941. Additionally, the same number of the respondent also agree that the organization had wonderful organizational culture, create conducive environment and cooperation to achieve the goal of the organization with the mean value 4.24 and standard deviation 0.821 and also manager had allowed the participation of the employee in decision making as input to maintain and sustain the goal of the organization. In this case, the mean score 4.22 and standard deviation 0.909 were registered.

When we come to the question, is leadership would influence employee loyalty in the case of commercial banks of Ethiopian in the south Addis Ababa district? Based on table 4.11 their relation between loyalty and leadership style is very high in CBE. All the mean were between 4-4.5 it shows that there was a very strong relationship between loyalty and leadership style in CBE. Accordingly standard deviation all the respondents were answered their question below one, it is shown that the score of respondents very close. Through the analysis of the following data, it had been observed that the maximum number of respondents had good cooperation and coordination as well as opportunities to achieve the goal of the organization. Employee input includes effort, loyalty, hard work, commitment, skill, ability, adaptability, flexibility, tolerance, determination, heart and soul, enthusiasm, trust to their boss and superiors, support of colleagues and subordinates as well as a personal sacrifice. Leadership and the different associated styles have a massive impact on how employees perform and grow, to lead positive organizational outcomes. However, the study showed that their strong relationship between employee loyalty and leadership style in CBE. Since leadership was a dynamic process whereby one man influences other to contribute voluntarily to the realization and attainment of the goals objectives; aspiration of values of the group that is representing the essence of Leadership is to help a group or an Organization to attain sustainable development and growths (Cole, 2005). These told us good leadership style could motivate, inspire, “transform” people and organizations in a literal sense – to change them in mind and heart; enlarge vision, insight, and understanding; clarify purposes; make behavior congruent with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building." One of

management's great challenges was to possess leadership skills to communicate with their subordinates and listen to them when the need arises. The leadership style of management serves as a source of motivation for employees to stay with employers, be committed to their duties, and defend their organizational interest for a long period. Studies had shown that a significant positive relationship on employee loyalty and adequate information which helps to explain future company policies to employees (Greenberg, 1994). For instance, the leadership style of management serves as a source of motivation for employees to stay with employers, be committed to their duties, and defend their organizational interest. If the leadership style of the management of the CBE is democratic, the majority of the employee is likely to demonstrate a high loyalty to their employer(s).

#### 4.4 Discussion

In this part, the researcher assesses the findings the descriptive results. This chapter also deals with a summary of the finding, conclusions, and recommendations. To achieve the objective of the study, relevant literature was reviewed and also analyzed quantitative and qualitative data were collected through an open-ended and close-ended questionnaire to be filled by an employee of the commercial bank of Ethiopia. The data collected through the questionnaire were presented, analyzed, interpreted, and discussed using statistical package for social science (SPSS 20.0). Thus, based on the analysis the following findings were written, conclusions drawn, and recommendations forwarded for the practitioners of the CBE organization and researchers who are interested in a conducted in-depth study on this issues on the same organization or other sectors in the country in general and Addis Ababa in particular.

#### 4.5. Discussion on descriptive statistic

By distributing questioner all managers and collecting from CBE businesses take a lot of effort to provide a meaningful and conducive work environment where the employees could realize their potential and capacity. Some of the practices include empowerment of employees, the involvement of employees in the decision-making process, a better work-life balance, and opportunities for leisure, good leadership style, training and development, and also job security. There was increasing evidence that these practices have a great influence on improving employer-employee relationships and high quality of work-life leads to increased profits through greater innovation, committed, and skillful employees. Reward fairness, job characteristics, training, and leadership style toward employee loyalty had a strong relationship and had

mutually benefit each other in the commercial bank of Ethiopia. In this study, the loyalty of employees was related to the prospects of individuals working in companies. Their relationship was highly positive and near to one in case of reward fairness, which was very influenced by employee loyalty. This indicated that the organization must provide appropriate and enough benefits packages for their employee for the success of the organization. Leadership style also had a wonderful relationship with employee loyalty, since it had a massive impact on how employees perform and grow for the success of the organization on the right track. Mostly allowing employees in the decision-making process, active communication, good coordination, and cooperation was a good strategy for employee motivation and satisfaction. Training had good relation toward loyalty since it helps for personal growth and enhance organizational performance. The last one was job characteristics which had close association toward loyalty. Generally, those employees who had knowledge, skill, and capacity provide higher organizational performance. In short, the organization should be such as to create a working environment where employees feel secure. In their overall assessment of the CBE sector, the researcher explained that the positive association is that the organization is undertaking excellent and pioneer practices that are transforming the sector as well as the business landscape of the country. From the overall discussion, it has been observed that employee loyalty can help in enhancing organizational performance and gain competitive advantage. Based on the data analysis, it can be demonstrated that various factors influence employee loyalty. Employees tend to go to a better position. They are looking for a better opportunity. So, the organization has to be very conscious of that. If the organization unable to fulfill the requirements of employees then there have many possibilities of losing employees and the decline of organizational performance.

## Chapter five

### 5. Summary and recommendation

This part concludes the study by presenting a summary of the study, conclusions drawn about the objectives of the study, an overall conclusion based on findings, and a discussion of the implications, limitations, and recommendations for future research.

#### 5.1. Summary

The study set out to describe factors influencing employee loyalty in the case of commercial banks of Ethiopia in the south Addis Ababa district. To achieve the broad aim of the study, the researcher had endeavor and strived an extensive review of the literature, development of the appropriate questionnaire, and a discussion of the context of the study, the study employed questionnaires to distributed 200 CBE employees. From the distributed questioner 185 respondent was gave the responded to the researcher. This section briefly discusses the findings in relation to the specific objectives of the study.

##### 5.1.1. Objective 1

Describe the effect of reward fairness on employee loyalty in case of commercial banks of Ethiopian in south Addis Ababa district. When we see table 4.3 there was strong relationship between reward fairness and employee loyalty, the organization provide sufficient, fair, and enough income for employee, and thereof they are happy and satisfied with all benefit package. Remuneration plays great role for employee motivation, and enhance organization performance and minimize employee losing. This objective was achieved by estimating the direct relationship between reward fairness and loyalty which had a significant positive effect on loyalty. The findings suggest that the reward fairness of potential employees in CBE does directly positively affect employee loyalty for firms that engage in practices.

##### 5.1.2 Objective 2

Assess the effect of training on employee loyalty case of commercial bank of Ethiopian in the south Addis Ababa district. When we see table 4.4 there was a strong relationship between training and employee loyalty, the maximum number of respondents is getting training as well as opportunities to developing their career. These facilities help employees with, in their personal growth. It can enhance their performance as well as bring satisfaction to its customers. In a way,

it will motivate employees to be loyal to their company. If it happens, the employee will lead to enhance the organization's performance by giving their best effort. So, the organization needs to concentrate on employee's motivational factors because it is very important to build employee loyalty. This objective was achieved by estimating the direct relationship between training and loyalty which had a significant positive effect on loyalty. The findings suggest that the training of potential employees in CBE does directly positively affect employee loyalty for firms that engage in practices and can stimulate the needed psychological attachment of employee perception within the organization.

#### 5.1.3. Objective 3

Assess the effect of job characteristics on employee loyalty cases of commercial banks of Ethiopian in the south Addis Ababa district. When we see table 4.5 there was a positive relationship between job characteristics and employee loyalty, the maximum number of respondents is getting fair job characteristics as well as opportunities to developing their career. It can enhance their performance as well as bring satisfaction to its customers. In a way, it will motivate employees to be loyal to their company. If it happens, the employee will lead to enhance the organization's performance by giving their best effort. So, the organization needs to concentrate on employee's motivational factors because it is very important to build employee loyalty. Likely, employees who had acknowledge skill and attitude, policy, operation, and performance of the organization and those have higher organizational goal achievement than employees with employees have poor knowledge about it. However, job characteristics had a positive impact and would influence employee loyalty. This objective was achieved by estimating the direct relationship between job characteristics and loyalty which had a significant positive effect on loyalty but not strong to other factors. The findings suggest that the job characteristics of potential employees in CBE do directly positively affect employee loyalty for firms that engage in practices and employee perception within the organization.

#### 5.1.4. Objective 4

Describe the effect of leadership style on employee loyalty in the case of commercial banks of Ethiopian in the south Addis Ababa district. When we see table 4.6 there was a positive relationship between leadership style and employee loyalty, which had been observed that the maximum number of respondents had good cooperation and coordination as well as

opportunities to achieve the goal of the organization. Employee input includes effort, loyalty, hard work, commitment, skill, ability, adaptability, flexibility, tolerance, determination, heart and soul, enthusiasm, trust to their boss and superiors, support of colleagues and subordinates as well as a personal sacrifice. Leadership and the different associated styles directly affect how employees perform and grow, to lead positive organizational outcomes. However, the study showed that there is strong relationship between employee loyalty and leadership style in CBE. This objective was achieved by estimating the direct relationship between leadership style and loyalty which had a significant positive effect on loyalty very strongly. The findings suggest that the leadership style of potential employees in CBE does directly positively and strongly affect employee loyalty of the organization.

## **5.2. Conclusion**

Based on the results showed, there is significant and positively relationship between reward fairness, job characteristics, training, and leadership style towards the loyalty of employee in the commercial bank of Ethiopia. The objective of the study is fulfilled with the results accepted. In conclusion, evidence from the discussed results of the study reveals that potential employees in CBE would react with certainty to their employee. To get success in the long run, employee retention plays a very important role in favor of the organization. Generally, an organization must manage and built up by human beings. The fact that once employees get job satisfaction, they will be motivated to work harder, which in turn leads to higher work efficiency.

## **5.3. Practical implications**

Results from the study suggest that potential employees in commercial bank of Ethiopia south Addis Ababa district relates positively with variables such as reward fairness, training, job characteristics' and leadership style unless they first identify and solved with an organization. This finding indicates positive and direct relationship between employee and employer helps to build and maintain employee loyalty in the organization. It is true that in any organization the Employers were always concern on employee loyalty (Wang & Ronen, 2011). These helps for an organization to identify and evaluate the relationship of factors that affecting employee loyalty. In order to maintain and keep the organization competitive ahead of its competitor, it should be start apprehending those determinants.

A good relation, cooperation and coordination between manager and employee is important create and establish a friendly working environment in one organization. However, the role of manager is essential in organization not only for monitor the employee, but also for initiate, inspire, promote and build employee moral (Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002).

the result of the study shown that , CBE encourage and motivate its employee to carry out certain reward such as employee participation in decision making process, salary increments, allowances, bonuses, fringe benefits and other compensations on regular and specific periods. Additionally, the result of the study important develop strategies and meet the needs through leadership behavior development. Besides, employees need to be respected and recognized by the managers through empowering them to self-determine, to be given chances to self-study, and to contribute to the mutual success of the organization. Managers should assign the works based on the strengths and weaknesses of their employees, educating the necessary skills to the employee and understanding the requirements of works to assign them to the most suitable persons.

#### 5.4. Recommendation for future research

According to the result of this research, the researcher has identified the factors influence the loyalty of employees, which is reward fairness, job characteristics, training, and leadership style. Based on this result, the researcher provides some recommendations for CBE to build and improve the loyalty of their employees.

In the future research, it should involve wider geographical areas as well as larger sample size in commercial bank of Ethiopia and the future researchers must include other variables that might influence the employee loyalty in commercial bank of Ethiopia. Maybe other variables in future research would be more significance to influence the employee loyalty in the commercial bank of Ethiopia.

#### 5.5. Limitation and Future direction

Although the research provides several useful data for the organizations in the public sector it has some limitations as follows. First of all, limited in time and relationship, the study only focuses on employees who are working at CBE with the quantity of sample is 185. This means that limitation of the study is a limited sample, and therefore, the research will not representative

of all public sector employees on a national scale in Ethiopia. Secondly, the study shows the correlation between elements such as reward fairness, job characteristics, training, and leadership style with employees' satisfaction in the organization. Yet, there are still many other factors that may influence employees' loyalty in the CBE, which are beyond the sphere of this research. From the above limitations, the author puts forward some recommendations for future research. Firstly, in the future, the research tool can use both quantitative and qualitative methods. This means that the researcher suggests adding some open questions or direct interviews that can be conducted to explain and describe the respondents' viewpoint on the topic more thoroughly and radically. Secondly, the ultimate goal of organizations in the public sector is how staff to work efficiently and close-knit to organizations for a long time. Creating employees' loyalty as a quick way to gain this, and research on the satisfaction of staff is not sufficient and also the difference between employee satisfactions of the organization would be an intriguing theme to further study.



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APPENDIX A  
QUESTIONNAIRE  
St, Mary's university

School of graduate studies

Master of business administration (MBA)

Questionnaire to be Complete and fulfill by Employee of CBE

Dear respondents

This questionnaire will design and prepare for the purpose of doing a research entitle “factor influence employee loyalty in case of commercial banks of Ethiopia Addis Ababa south district for the partial fulfillment of the requirement for the award of Master degree of Business Administration (MBA). This questionnaire will help the organization think about its effort towards maintain employee who have good experience, knowledge, skill, attitude and serve as good organization performance gain competitive advantage in bank sectors. It also help to improve their business in a profitable and sensible manner to their stakeholders. Thus, you are kindly request to answer the questions honestly and you are convince that your responses will be treat confidential and use for academic purpose only.

I thank you for your support in Advance!

General Instruction

- Do not write your name in any part of the questionnaire.
- Your frank response is vital and crucial for the success of the study.
- Put “X” for your choice in the box and tables it's provide below.

Zegeye bekele

(Research student, MBA)

Cell phone, 0913748699

There are three (3) sections in this questionnaire. Please answer all questions in all sections. This questionnaires divides into three sections:

Section 1: Respondent demographic information in CBE

Section 2: Factor influence employee loyalty in CBE

Section 3: Evaluation the most important factor (RII) in CBE

**Section 1:** Demographic characteristics of respondent in commercial bank of Ethiopia Addis Ababa south district.

1. Sex        Male-----        Female-----.

2. Age groups below 20 -----from 20-----30 from 31-----40 from 41-----50 above 50 years-----.

3. Marital status, Married----- single-----.

4. Education-, TVT or Diploma----- Degree----- Master----- PHD-----.

5. Monthly income, below 2000----- from 2001-----4000 from 4001-----6000 from 6000 -----10000 above 10000-----.

6. Position of staff, Top level Manger----- Middle level manger-----Lower level Staff-----.

**Section 2:** Factor influence employee loyalty in CBE

Instruction: for this section, please select and mark only one of the number which is best reflects your opinion on the statement. Please indicate your level of agreement with each of the following statements response range as:

1-strongly disagree, 2-disagree, 3- neutral, 4-agree, and 5-strongly agree.

**Section 3:** To Evaluate the most important factor (RII) in CBE

Instruction: for this section, please select and mark only one of the number which is best reflects your opinion on the statement. Please indicate your level of agreement with each of the following statements response range as:

1-strongly disagree 2- disagree 3-neutral 4-agree 5- strongly agree.

No	<b>Reward fairness</b>	1	2	3	4	5
1	My organization always creates the favorable conditions for me on leave when I sick or need.					
2	My organization always protects the legitimate rights of workers or employee right.					
3	I am satisfy and happy with the employee's benefit programs of my organization such as: reward, incentives, insurance and medical care, birthday gifts, buy organization's preference shares.					
4	Overall, I am satisfy and happy with the company's benefit package					
5	I am satisfy with the recreation programs offer by the organization, such as picnics, annual travel.					
6	My current income is commensurate with my ability and contribution to the organization.					
7	I think the organization I am working pays income very fair and enough.					
8	I absolutely live well with my current income.					
	<b>Job characteristics</b>					
9	The work I am doing is interesting, challenging and important to the operation of the organization.					
10	I get comment and feedbacks from superiors for my work efficiencies.					
11	The work I am doing is suitable with my ability and strengths.					
12	My workload is reasonable					
	<b>Training</b>					
13	The organization is very interest in the training of personnel and development the dynamic young executives					
14	I am participating in the training program of the organization according to job requirements					
15	The training program in accordance with my ability and after training, my work skills are more advance.					
16	I have many opportunities to get promoted in my organization					

17	I can aware of the necessary condition and opportunities for promotion to survive in my organization.					
18	I am satisfy with my career development within the organization.					
	<b>Leadership style</b>					
19	I always have the support and trust from my superiors and colleagues at work					
20	my superiors always listen to opinions and concerns to the benefit of employees					
21	My supervisor is an effective leader, understanding, fair, friendly, respectful and approachable.					
22	My organization have good coordination to work and achieve the goals of					
	The organization.					
23	My supervisor asks for my input in decision making					
	<b>Employee loyalty</b>					
24	I am proud to introduce to people about my organization as a best place to work					
25	I would like to work with organization in a long term although another organizations offer more attractive benefits					
26	I will sacrifice my personal interests when required to help the organization succeed					
27	I do not want to switch to another organization, whether my organization has not good business results.					
28	The organization deserve with my loyalty					
29	My organization treat me as real partner.					
30	I believe that my organization in making long term relationship					



## APPENDIX B

### Descriptive Statistics

	Mean	Std. Deviation	N
Employee loyalty	4.2896	.64809	185
Reward fairness	4.2818	.64579	185
Job Characters	4.2176	.61206	185
Training	4.2586	.62936	185
Leadership Style	4.2897	.64971	185

### Correlations

	Employee loyalty	Reward fairness	Job Characters	Training	Leadership Style
Correlation Employee loyalty	1.000	.994	.547	.854	.963
Reward fairness	.994	1.000	.551	.876	.961
Job Characters	.547	.551	1.000	.536	.553
Training	.854	.876	.536	1.000	.802
Leadership Style	.963	.961	.553	.802	1.000

## Statistics


		Reward fairness	Job characters	Training	Leadership styles	Employee loyalty
N	Valid	185	185	185	185	185
	Missing	0	0	0	0	0
Mean		4.2818	4.2176	4.2586	4.2897	4.2896
Std. Error of Mean		.04748	.04500	.04627	.04777	.04765
Median		4.5000	4.2500	4.5000	4.4000	4.4286
Mode		4.62	4.00	4.50	4.60	4.71
Std. Deviation		.64579	.61206	.62936	.64971	.64809
Variance		.417	.375	.396	.422	.420
Range		3.62	3.00	3.33	3.60	3.71
Minimum		1.38	2.00	1.67	1.40	1.29
Maximum		5.00	5.00	5.00	5.00	5.00
Sum		792.12	780.25	787.83	793.60	793.57
Percentiles	25	4.0000	4.0000	3.8333	4.0000	4.0000
	50	4.5000	4.2500	4.5000	4.4000	4.4286
	75	4.7500	4.7500	4.6667	4.8000	4.7143
	100	5.0000	5.0000	5.0000	5.0000	5.0000

Statistics

	VAR00001	VAR00002	VAR00003	VAR00004	VAR00005	VAR00006	VA						
R00007	VAR00008	VAR00009	VAR00010	VAR00011	VAR00012								
	VAR00013	VAR00014	VAR00015	VAR00016	VAR00017	VAR00018							
	VAR00019	VAR00020	VAR00021	VAR00022	VAR00023	VAR00024							
	VAR00025	VAR00026	VAR00027	VAR00028	VAR00029	VAR00030							
	VAR00031	VAR00032	VAR00033	VAR00034	VAR00035	VAR00036							
N	Valid	185	185	185	185	185	185	185	185	185	185	185	185
		185	185	185	185	185	185	185	185	185	185	185	185
		185	185	185	185	185	185	185	185	185	185	185	185
		185											
	Missing	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0
		0	0										
Mean								4.18	4.06	4.20	4.26	4.10	
	4.17	4.26	4.22	4.32	4.08	4.15	4.32	4.22	4.30	4.23	4.23	4.26	
	4.30	4.31	4.37	4.30	4.22	4.24	4.26	4.31	4.32	4.37	4.30	4.22	
	4.24												
Std. Error of Mean										.063	.063	.061	
	.062	.066	.061	.060	.067	.060	.066	.065	.056	.065	.058	.067	
	.061	.062	.066	.067	.062	.069	.067	.060	.062	.066	.067	.062	
	.069	.067	.060										

Median									4.00	4.00	4.00	4.00
	4.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
	4.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
	4.00	4.00										
Mode								4	4	4	5	5
	5	5	5	5	4	4	5	5	5	5	5	5
	5	5	5	5	5	5	5	5	5	5	5	5
	5											
Std. Deviation									.859	.857	.833	.847
	.900	.836	.819	.909	.816	.900	.882	.761	.878	.791	.910	.824
	.847	.900	.908	.844	.941	.909	.821	.846	.901	.909	.838	.940
	.909	.821										

APPENDIX C

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**COMMERCIAL BANK OF ETHIOPIA**  
INTER-DEPARTMENTAL MEMORANDUM

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DATE : March 13, 2020  
ቀን  
TO : Manager - Karakore Branch  
ሰ  
- Jemmo Branch  
- Ayer Tena Branch  
- Lafto Branch  
- Furi Branch

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FROM : Team Leader - Training Operation  
ሰ  
SUBJECT : Request for Cooperation  
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St. Mary's University has requested our bank to assist and cooperate Zegeye Bekele to grant his access to the required information to the research work entitled "**Factor Influence Employee Loyalty**" in the case of commercial bank of Ethiopia.

This is, therefore to request you to provide the required assistance and cooperation without compromising confidentiality.

With Regards

  
**Achamyelesh Borshe**

/MT