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St. Mary's University, Ethiopia

THE EFFECT OF EMPLOYEE DEVELOPMENT PROGRAM ON EMPLOYEE RETENTION: THE CASE OF ETHIOPIAN SHIPPING AND LOGISTICS SERVICE ENTERPRISE

A THESIS SUBMITTED TO SCHOOLS OF GRADUATE STUDIES OF ST.MARY'S UNIVERSITY IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF MBA

BY: Tadelech Mehari Tesfaye

JUNE, 2021

ADDIS ABABA, ETHIOPIA

ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES DEPARTMENT OF MBA

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RESEARCH PAPER SUBMITTED TO ST.MARY'S UNIVERSITY SCHOOL OFGRADUATE STUDIES DEPARTMENT OF MBA IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR DEGREE OF MA IN MASTER OF BUSSINES ADMINSTERATION

PREPARED BY: TADELECH MEHARI TESFAYE (ID NO.SGS0167/2012A)

ADVISOR: YERGALEM TADELE (Ph.D.)

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Addis Ababa, Ethiopia

ST.MARY'S UNIVERSITY
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Approved by the Board of Examiners:

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Advisor   Signature

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External Examiner   Signature

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Internal Examiner   Signature

JUNE, 2021

DECLARATION

I undersigned declare that, this paper is prepared for the partial fulfillment of the requirements for MBA: Master of Business Administration entitled "The effect of employee development program on employee retention in Ethiopian Shipping and Logistics Service Enterprise" this study is prepared by my own effort. I have made it independently with the close advice and guidance of my advisor. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment Masters in Master of Business Administration.

Name Tadelech Mehari Tesfaye

Signature _____

Date _____

Advisor: Yirgalem Tadele (Ph.D.)

Signature: _____

Date: _____

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List of Abbreviation/Acronyms

ESLSE- Ethiopian Shipping and Logistics Service Enterprise

HRM- Human Resource Management

EDP- Employee Development Program

TR- Training

JR- Job Rotation

CR- Carrier Development

M&C- Mentoring and Coaching

ER- Employee Retention

ANOVA – Analysis of variance

SPSS **-** Statistical Package for Social Science

ABSTRACT

Employee retention is a fundamental perspective for each organization with respect to competitive advantage because human resources are the most basic resource in the world. As a result, organizations are increasingly focusing on employee retention. The study was conducted Questionnaire with a perspective on improving Employee retention in ESLSE. The main objective of this study is to investigate the effect of Employee Development programs on employee retention in Ethiopia Shipping and Logistics Service Enterprise, to assess the effect of Training, job rotation, Carrier development and mentoring and Coaching on employee retention in ESLSE. The research used an Explanatory study applying quantitative research approach in which data was collected across a population through simple random sampling method from a sample size of 216 employees and used descriptive and inferential statistics in order to analyze the data. And a Multiple Regression made to test the hypothesis how well the Employee Development Program could predict the employee retention, correlation analysis was used to see their relationship between independent and dependent variables. The finding of the current study appears to conclude that effective Employee development programs can help organizations to get satisfied employees and gain ability to retain its valuable human capital. The analysis showed that there were employee's retention strategies available in the organization and employee development program significantly affect employee retention. However, considerable number of employees in Enterprise is still unsatisfied with the employee development programs, the researcher conclude and recommend that the organization should understand the importance and value of EDP and needs to revise and should formulate strategies to establish employee training policy, job rotation programs, carrier development programs and mentoring and coaching programs in order to motivate and improve their employee performance and employee retention.

***KEYWORDS**: Training, job rotation, Carrier Development/Promotion, coaching and mentoring and employee retention*

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Today's organizations are working in a dynamic environment with rapid changes in information technology, market uncertainties, shortened product life cycles and competition. (Dinopoulos and Syropoulos, 2007; Roy and Sivakumar, 2012). The changing nature of the business and its environment at the recent times forced organizations move with the trend of time so as to exist and flourish in this ever-changing world. Organizations must also move with the advancement in technology to reach their prospective clients and ensure that the names of their products continue to be uppermost in their customers' mind.

There is no doubt that any organization that does not move with these changes will find it difficult to survive in the present world of business. Garavan, Hogan and Cahir-O'Donnell (2003) outline that for organizations to develop and accomplish the stated goals; it is necessary to have learnable employees who will fit in the changing world of business. Aruna and Anitha (2015) supported that the training an employee gets from the organization have impact on employee's decision to leave or stay within the organization.

Having brilliant, motivated, and experienced, skill, knowledgeable and competent employees should be the base for all change processes in a firm. This kind of employees provides the main source for developing new ideas and knowledge (Snell and Dean, 1992). Employees and their associate assets are crucial for exposing an organization to technology boundaries that increase their capacity to absorb and deploy new and substantially different knowledge domains (Subramaniam and Youndt, 2005). Highly motivated and trained employees may question the established organizational routines; hence, this kind of employees become critical to push the firm to its technological borders, constituting the best incentive towards obtaining new knowledge and radical change (Nonaka and Takeuchi, 1995; Hill and Rothaermel, 2003). In this sense, it makes sense to state that those firms with the best skill, knowledge and attitude will be able to create the highest number of new ideas and products, being human capital the main

source for new ideas and knowledge helping in the development of radical change investing in it in the form of learning and development is mandatory. Turn over reduces the firm ability to assimilate new ideas, insights, customer suggestions and complains.

So, the assimilation of acquired knowledge is related to employees" absorptive capacity and capabilities, being important aspects within the knowledge transfer and exploitation processes in a firm. In this way, accumulated experience and abilities, education and training could play an incentive role in absorbing, using, assembling, interpreting external knowledge cogenerated with suppliers or users in order to develop new products and processes. Soosay and Hyland (2008) highlighted absorptive capacity to assimilate knowledge and lead to change achievement by means of knowledge, skill and experience.

In the new economy, knowledge has a strategic position in creating a firm's value; that knowledge is a source of a firm's outcomes. Knowledge is a unique resource (Kogut and Zander, 1992). It is the most difficult resource to duplicate and it needs to be integrated with many different capabilities (Spender, 1996; Sambamurthy and Subramani, 2005). Organizations must also move with the advancement in technology to reach their prospective clients and ensure that the names of their services continue to be uppermost in their customers' mind. There is no doubt that any organization that does not move with these changes will find it difficult to survive in the present world of business. Garavan, Hogan and Cahir-O'Donnell (2003) outline that for organizations to develop and accomplish the earlier stated goals; it is necessary to have learnable employees who will fit in the ever-changing world of business. Employee development program is an investment that promotes skill, knowledge, satisfaction and retention of employee. Aruna and Anitha (2015) supported that the type of training an employee gets from the organization have impact on employee's decision to leave or stay within the organization.

Retention of employees in the rapidly changing environment is critical to ensure that valuable skills, knowledge and experience remain in the industry and not to lose to other competing sectors.

Retention matters because high turnover creates high replacement costs and is clearly associated with low levels of customer satisfaction, customer loyalty, and a loss in revenue. Retention is

challenging today due to a growing imbalance in the supply and demand of qualified personnel (Padron, 2004).

The retention of employees ensures that skills and expertise are not lost so that the absorptive capacity to assimilate new knowledge and redeploying and lead to change is achieved. Taylor (2002) indicates the importance of employee retention in the following manner: There are several new job opportunities, but the pool of talented employees is not ever decreasing. Getting suitably skilled employees remain a great problem for organizations. It, therefore, remains a vital aspect to retain talented employees. Many current jobs require employees with talent and their respective skills for that job.

Ensuring that the right employees are available for the right job should create a committed and involved employee that can keep the turnover rates lower. This should lead to higher levels of satisfaction, loyalty towards clients, and higher service levels (Dawson & Abbot, 2009). The other reasons suggested that the high turnover rate in the industry is the demographics of employees as well as the demanding nature of the industry.

Organizations have tried throughout the years to implement measures and reward systems to ensure that the skilled employees remain in their respective employment, but this seldom had the desired result.

Retention of qualified and skilled employees remains one of the biggest struggles faced by industry leaders. A company can only move as fast as its employees, so the ones that train and develop people will move much more quickly. Although training of employees in organizations has improved drastically over the years, the literature on employee retention through adequate training provided still needs to be elaborated on. Furthermore, Aruna and Anitha (2015) supported that the type of training an employee gets from the organization have impact on employee's decision to leave or stay within the organization. Accordingly Employee job rotation, carrier development/promotion and employee mentoring and coaching also have their own effect in relation to employee retention of valuable employee so the current study investigates into the relationship between employee development program and employee retention in the case of Ethiopian Shipping and Logistic Service Enterprise (ESLSE)

Ethiopian Shipping and Logistic Service Enterprise (ESLSE) is a fertile research setting to the current study. This is because In ESLSE employee development has a strategic position and the company invests money, and has a training Centre managed by Human Resource Department.

1.2 Background of the organization
Ethiopian Shipping and Logistics Services Enterprise (ESLSE).

Ethiopian shipping lines was founded in 1964 G.C and started operation in 1966 with three newly built ships and two general cargos and tankers. The company was established as a share company with capital of 50,000.00 Birr, subsequently raised to 3,750,000.00 Birr. Tacprus investment inc. of Washington DC agreed to subscribe to 51% of the capital requirements designating two directors of the company. The Ethiopian government underwrote the remaining 40% of the capital required designating two director. Finally the company has been fully owned by the government of Ethiopia since 1967/70 G.C.

The current Ethiopian shipping and Logistics Services Enterprise is formed by merging the former three public enterprises that have until recently been operating separately in a rather similar and interdependent maritime sub-sector; namely, Ethiopian Shipping Lines SIA.C, Maritime and Transit Services Enterprise and Dry Port Enterprise following the issuance of Regulation by the Council of Ministers (Regulation No. 255/2011) and is vested with the huge responsibility of rendering sea-transport & logistics services to the country's importers, exporters, and investors in a more effective and efficient way, by reducing transit time, cost and handoffs. Besides, a truck operating company named Comet Transport SC has recently been transferred to ESL following a government decree issued in the mid of 2014. And the name of the enterprise changed to Ethiopian Shipping and Logistics Service Enterprise ESLSE.

ESLSE has a multitude of vessels, heavy duty trucks, sea and dry port facilities, chicaneries, etc. that enable it render efficient sea and land transport services as well as sea and dry port services. ESLSE has its headquarters located in the heart of Addis Ababa, Ethiopia, with main 3 branches at Djibouti, Modjo, and Kality (the former Comet) and other branches in Mekelle, DireDawa, Kombolcha, Semera and Gelan towns. It also has a Maritime Training Institute at a place called Babogaya in Bishoftu (former Debrezeit) Town.

It is the only company involved in sea fright activity in the country. The companies in its long sea transportation services manage to build a reputation of reliability efficiency and good services it gives a liner service in north continent and Mediterranean routs. It also gives a cross trade services mostly from Europe, to red sea, and Gulf ports.

Currently the enterprise introduce multimodal transport system which will benefit the country in many respects, notably by minimizing time loss at transit shipment points, reducing warehouse improve their competitive position in the international market minimizing burden of documentation and formalities, improve safety and security of goods in the country.

1.3 Statement of the problem

With the rapidly changing environment and the competiveness in the business sector, organizations are facing the challenges of retaining skilled employees. These talent employees are helpful in developing organizational goals (Mobrman, 2007). Having brilliant, motivated, and experienced human capital should be the base for change processes in a firm. Employees and their associate skills, experience, ability, competency, talent and memory are crucial for exposing an organization to technology boundaries that increase their capacity to absorb and deploy new and substantially different knowledge domains (Subramaniam and Youndt, 2005). Highly motivated and trained employees may question the established organizational routines; hence, this kind of human capital becomes critical to push the organization to its growth, constituting the best incentive towards obtaining new knowledge and radical change (Nonaka and Takeuchi, 1995; Hill and Rothaermel, 2003).

Therefore, retaining the skilled employees has an impact in the development of organizational goals, by giving them an opportunity to develop their skills, knowledge, attitudes and introducing different training and development programs in the workplace (Carmeli, 2005). However, very few researchers have specified that a continuous training in the working environment rise employee retention (Grawitch, Gottschalk and Munz, 2006).

According to the research that was conducted by kavittha, Geetha and Arunachala (2011), it was discovered that to retain a well skills employees has become a serious subject and a lot of organizations are facing challenges to retain their talented employees, and organizations loses their employees due to lack of management. It is a great lost when a trained and talented employee leave the organization, this will create a weak loyalty guide in the organization.

Masbigiri and Nienabar (2011) outline that the inability to retain employees can lead to more expenditures, losing skill, knowledge and experience; the recruitment of new employees will involve spending more money and have an adverse consequence on the proceeds of continuous reality. Therefore, retaining experienced employees reduces the cost of recruiting new employees into the organization.

Despite the vast studies on retention, Hausknech (2009) noted that literature on employee turnover which is aimed at identifying factors that caused employees to quit, much less is still not known about factors that compelled employees to stay or retention.

Although training of employees in organizations has improved drastically over the years, the literature on employee retention through adequate employee development program provided still needs to be elaborated on. The existing studies in this relation (Taylor, 2014) have taken a general human resource management (HRM) focus on employees performance, very little attention is given to the motivational role of employee development and hence creating a gap on the effect of employee development program on employee retention. Lack of training, mentoring and coaching, job rotation and carrier development/promotion Etc., leads the employee seeking for an alternative employer who will be willing to provide it (Taylor, 2014). And also most of the studies are focused part of the development program like most of them training and development effects in employee retention and the like and here the researcher needs to be realistic evidence on effects of employee development program like Training, job rotation, carrier development / promotion, Mentoring and Coaching, on employee retention. And there is no published research conduct in the organization (ESLSE). Therefore the researcher has an interest to investigate the effect of employee development program on employee retention in Ethiopia shipping and logistics service enterprise.

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1.4 objectives of the study

1.4.1 General objectives of the study

The main objective of this study is to examine the effect of Employee Development program on employee retention in the case of Ethiopia Shipping and Logistics Service Enterprise.

1.4.2 Specific objectives of the study

The specific objectives of the study are to:

1. To examine the effect of Training on employee retention in ESLSE.
2. To determine the effect of job rotation on employee retention in ESLSE.
3. To determine the effect of coaching and mentoring on employee retention in ESLSE.
4. To examine the effect of carrier development/promotion on employee retention in ESLSE.

1.5 Research Hypothesis

Ha_1. Training does have a statistical significant effect on employee retention in ESLSE.

Ha2. Job rotation does have a statistical significant effect on employee retention in ESLSE.

Ha_3. Coaching and mentoring does have a statistical significant effect on employee retention in ESLSE.

Ha4. Carrier development/promotion does have a statistical significant effect on employee retention in ESLSE.

1.6 Significance of the study

This study is designed to investigate the effect of employee development program on employee retention, little or no sufficient study is carried out regarding with the area. Accordingly the study tries to fill the gaps existing in the current literature.

This study may serve as a source of information for further study that would be made on related topics. Besides, the staff management may use the findings of this study to put into practice to retain the valuable assets-human capital.

Hence, the management of the enterprise could use the findings of this study in designing the employee development programs depending on mission and needs of its staffs. In addition to this, the study gave the researcher the opportunity to gain deep knowledge in the area.

1.7. Scope of the study
(Based on the Geographic, Variable and Methodology)

This study focused on the effect of employee development program on employee retention of Ethiopian Shipping and Logistics Service Enterprise. Ethiopian shipping and logistics service enterprise is one of the biggest public sectors in Ethiopia having lot of branches including dry ports throughout the country so Due to time and cost consideration and also because of COVID 19 this study is conducted only in the Head Office employee which is found in Addis Ababa.

Based on the variable there are many employee development programs this research focuses on four types of Employee development programs which is independent variable Training, job rotation, carrier development / promotion, and Mentoring and Coaching and also dependent variable which is Employee Retention.

Based on the methodology this research uses explanatory research method because it is the possible way to analyze relationship variables.

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1.8. Limitation of the study
The study did not cover the entire workforce of the organization, because the research will be limited to Head Office employee in A.A and also shortage of pervious similar researches in Ethiopian case, and limited resource may affect the qualities of the study output. But the researcher, as much as possible, tried to mitigate these biases in order to come up with valid conclusion.

1.9. Operational Definition
Employee Development: A system for assisting employees to develop within their current jobs or advance to fulfill their goals for the future (Karen Shelton, 2001).

Employee Retention: A company's ability to keep quality employees who are contributing to business success (Karen Shelton, 2001).

Training- refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.

Job rotation- is a lateral transfer of employees among a number of different places and tasks within jobs where each needs different skills and responsibilities (Abdella, 2009).

Mentoring and Coaching -According to CIPD (2013), "mentoring and Coaching are development techniques based on the use of one-to-one discussions to enhance and individual's skills, knowledge or work performance".

Carrier development / promotion-Career development is a continuous process where both employees as well as employers have to put efforts in order to create conducive environment so that they can achieve their objectives at the same time (Khadijetou Wane, 2013).

1.10. Organization of the study
This paper is organized in five chapters;

Chapter one provides an introductory overview of the full study including the statement of the problem, objectives of the study, research hypothesis, relevance of the study, scope and limitation of the study, and organization of the study.

Chapter two will review the literature on the effects of employee development program on employee retention. Theoretical and Empirical review.

Chapter three presents the methodology used for the study and gives a detailed overview of the population, sampling technique, the research design, data source and collection procedures and data analysis procedures. And also show the reliability, validity and ethical considerations.

Chapter four focuses on the research results and discussion.

The final chapter five includes summarizes conclusion and recommendations for the study.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Introduction

This section of the research discussed the factors relating to the relation between employee development and employee retention, an examining of the role of training, job rotation, coaching and mentoring and career development on employee retention. The reason is to gain understanding of existing literature, bringing out the gap and filling it for future research, the impact and importance of employee development program on employee retention.

Tharenou, Sake and Moore (2007) outlines that the private and public organizations are now awakening to the urgent need to invest in the employee development to ensure good performance and increase in productivities. According to Hennestad (2000), employee development has an impact on retention, which influences organizational management; it reduces the cost of recruitment and selection of new employees. Retaining skilled employee's link to having qualified employees; this helps in achieving the organizational goals.

Noe (2008) outlines that organization cannot do anything without employees, the retention of some experienced employees will reduce high turnover. In any business, high turnover has a negative result on the sustainable development, due to the high competition in the organizations. The competitors are willing to offer better payment and other attractive rewards for experienced and well-skilled employees.

The review is based employee development program comprises of training, job rotation, coaching and mentoring and career development as well as employees retention.

2.1.1 Definition of Employee Development Program

Employee development programs are ways to improve an employee's broader skills as a person over an extended time period in a more holistic approach. Learning and development opportunities help boost employee engagement and productivity. Often, these programs are administered or managed by human resources departments.

Today organizations not only help their employees to be successful but also provide them with developmental opportunities to enable them to successfully contribute to the achievement of organizational goals (Gerbman, 2000). When employees feel they are contributing towards organizational goals, they get increasingly engaged with their roles and serve for long tenures (Logan, 2000). Employees often feel elated to see their work getting recognized and appreciated (Moses, 2000). Employee development plays a significant role in employee retention and employees seek new opportunities to enhance their knowledge, skills and abilities to accomplish their professional goals (Wagner, 2000). Therefore, organizations endeavoring to meet these intrinsic desires are often reciprocated through trust, loyalty, morale and satisfaction (Nunn, 2000).

2.1.2. Training
In today's business, training does not only link with work-related development, but it linked to influence option, sentiment and performance. Therefore, it is a pathway for employees to learn new skills and creating advancement towards employee satisfaction (Armstrong, 2009). Training strengthens employees to be more active towards their career development, which leads to retention. Choo and Bowley (2007) supported that training have impact on career development, improving employer brand and employee's retention. Jehanzeb and Bashir (2013) suggested that training and development aims are to improve employee's skills and helping them to understand the organizational culture. In addition, understanding the necessary level of career choice.

In any organization, training of employees plays a role in achieving the organizational goals. The qualities of these trained employees will determine how far an organization will go among its counterparts. Rosti and Shipper (1998) outlines that training and development of the employees ensure good performance and this enables the organization to achieve its objectives, to attract, train and develop talent employee that will exploit all the obtainable resources to bring about expansion in the company.

Armstrong (2003) summarize training as an appropriate and orderly modification of behavior through learning, development, which happen as result of teaching, coaching, development and designed experience. The same author mentioned that training as a process to equip the employee's with the necessary skills, knowledge to handle their professional tasks. According to D. Rajasekar (2014), training is the process of enhanced knowledge, developed skills and

changed the attitudes of people so that they are effective in their work responsibilities. It is also emphasize that employees given on the job cross functional trained, and make them volunteer to do something different, crates job security to its employees, establishment of friendly relationship between coworkers for the purpose of improvement, interpersonal relationship among the employer and employee, the form of job redesigned has to be done to make the jobs more interested and challenged, improved quality of work life and rewards linked with performance. According to Armstrong (2003), employee's development helps to enhance staff ability for future requirements and adaptability prospect. Beardwell and Hidden (1997) consider training and development as an intended process to modify the attitude, knowledge through coaching experience to achieve effective performance in their roles. Many organizations offer different training programs to improve the employee's skills especially in the area of technology development and business practice, such as supervisor training, exclusive development and interpersonal skills (Beardwell and Hidden, 1997).

Lorette (2006) recommended training as an ability to designed and encourage both new and old employees to improve and enhance the performance of qualified employees and managers, as well as to be more effective in performing their tasks in the workplace. This highlights needs for more systematic approach to assess the training needs of individual. Such as reviewing individual capability in the workforce. Training is an instrument to enhance performance and it is one of the possible solutions to progress in business (Lorette, 2006).

Hise, Gable, Kelly and McDonald (1983) outline training and development as a framework, which organizations act. As well as the organizational culture and any structure, that supports the skilled development of the managers and the employees within the organization structures. Therefore, empowering the employees to undergo some training will definitely improve the employees' prospective and skills for the career role, which can lead to increment in the business output. Nabi (2003) outlines that for the managers to seek for strategic transformations in the workplace; the management was advice to invest its capital on training, as to enable the organization to achieve its strategic goals. Therefore, Bashir and Khattak (2008) presumed and suggested that employee involvement influenced by perspective of the human resource professional. They added that the more an employee become optimistic about the organization, the more they are committed to work perfectly and want to remain within the organization. They

suggested that any organization seeking competitiveness has to map out different strategies and appreciate employee's effectiveness and satisfied their needs, as to encourage them to remain in the organization after the training program.

2.1.3. Job Rotation

Job Rotation is a management approach where employees are shifted between two or more assignments or jobs at regular intervals of time in order to expose them to all verticals of an organization. It is a pre-planned approach with an objective to test the employee skills and competencies in order to place him or her at the right place. In addition to it, it reduces the monotony of the job and gives them a wider experience and helps them gain more insights.

According to Torrington and Hall (1991) described the job rotation as movement of employees among different tasks and positions which will probably be of similar nature. Different organizations do rotate their employees from one job to another across various departments for multiple reasons depending on specific need of an organization. And also Jaime (2001) stated that job rotation promotes Psychological and physical health of employees through creating positive attitudes on employees, facilitating their health and increase the variety of work through reduction boredom and having self-motivation towards their position in the organization.

Different authors stated Job rotation is training method followed by the organization to develop the employees in various department were they can gain diversified learning of job skills for a specific period of time and job rotation is a practical approach to enrich and expand the job assignment of the employees (Seibet & Kraimer,2001). Therefore, job rotation is a method of job design which allows the employees to learn the skills from various departments and eliminates the employees fatigue caused by the same kind of job assignment by changing such assignment (Richard, 1981).

An important aspect of job rotation is in its inherent ability to promote organization learning. Ortega (2001) argues that job rotation indeed can promote organization learning better than specialization in circumstances where there is little information about the relative import of different job tasks. With the benefits that accrue from organizational learning, it means that job rotation is an indispensable aspect of job designs.

Job rotation is also important in the development of employees (Sonnenfeld and Peiperl, 1988). This means that when properly designed and executed, job rotation can result in improvement of capacity of employees hence resulting in enhanced task performance and productivity.

Ostroff and Kozlowski (2015) show that job rotation facilitates information sharing and socialization and this results in a more knowledgeable employee base and the resultant effect is that employees undertake their tasks much better hence enhancing work place productivity for the employees individually and collectively.

Zeira (2010) argues that job rotation is an important technique of augmenting employee's task commitment and job involvement and as such plays an important role in facilitating normal functioning of organizations thereby helping drive efficiency and effectiveness, which ultimately leads to enhanced workplace productivity.

Job rotation is one way of created job satisfaction, and employee retention that helps as a means in order to maintain the high performance employees in the enterprise. Thus job rotation can be described as lateral transfer of employees among a number of different places and tasks within jobs where each needs different skills and responsibilities.

2.1.4. Coaching and Mentoring

According to CIPD (2013).Coaching and mentoring are development techniques based on the use of one-to-one discussion to enhance and individual's skills, knowledge or work performance. However, some companies refer to the activities of coaching in general terms such as life coaching, performance coaching, business coaching, facilitative management; and mentoring is used as some specific type of counseling (Kinlaw, 2000). Mentoring can be formal and informal. In formal mentoring, mentor and mentee are distinguished by senior employees by focusing on organizational and individual goals; the duration and scope of mentoring relationships are structured; and the frequency of learning experience and contact is structured. But in informal mentoring, mentor and employee pair with each other instinctively and usually provides focus on goals and objectives of the employee; the duration and the relationships of mentoring could be short-term as well as long- term; and frequency of contact and experience from the learning are unstructured (Kulik and Bainbridge, 2005). The term coaching for the staffs should have target

of high improvement and high performance of the employees at the workplace which generally refers to procedures of assisting others in order to improve their working skills, develop and learn new skills, achieve aims and objectives, find individual success to manage personal and organizational challenges.

Employee mentoring offers by the organization near on their employees in order to couch from different perspectives of employee, their work skills, and their duties on the job

Besson (2012) defined coaching as a way of collaborating with employees in a stimulating and innovative development that will motivate the employees to exploit in their personal and professional prospective. Any organization that invest on coaching increases their outputs; it strengthens the success to develop working relationships, work gratification and teamwork, which can be used to develop employee's inspiration. Coaching can enhance the talent and shape the capabilities of the employees (Besson, 2012). However, coaching is considered as a vigorous appraisal, used in developing the employees to be more successful in their career and improve their performance as a leader. Some organization coaches some of its employees who are with high potential for advancement, because coaching has a significant impact on employee's job performance. It adds value to the organization, to maximize their own potential to create an opportunity for change in employee's career, which increases organizational competence to retain its employees (Besson, 2012). Coaching can add value to organizational development; it retains and motivate employeesto perform well in their roles. It improves executive learning, performance and leadership efficiency with working relationship with supervisors and customers; it reduces conflict among the employees (Besson, 2012).

Many organizations are accepting coaching method and they see it as important approach that add better value for the development of the employee's career and bringing out their potential skills (Nelson et al., 2006). While Cushion, Armour and Jones (2003) investigated on coaching system as a structure mentoring programs, as significant factor in the development of employees within the organization. Woodman (1993) review that the basic development of coaching is within coach instruction and progress, as a continuous and professional development for the employees. This has to be through formal coaching programs that take place within a period. He suggested that this can offer little opportunity of learning for a new employees and he believe it is ineffective. Although employers recognize the importance of coaching literature, because it

adds value and identified the skills and brings out the potential of employees (Cushion et al., 2003).

Coaching is use to inspire an employee to face any challenges that may occur during working period, and this would in turn elevate their motivation to attain individual's goals as well as the organizational objectives (Feldman, 2001). Coaching is a necessary tool for the development of career for the improvement of the skills and performance of employees. Coaching relate to individual improvement, growth and to accomplish a higher performance rank by providing positive feedback and support (Rayner, 2008).

2.1.5. Career development/Promotion

Career development is a system which is organized and it's a planned effort of achieving a balance between the career needs of individual and the organization's workforce requirement. The challenge for the HR professionals is to develop and identify the career development strategies and train them which would improve the commitment of employee and he or she would feel that they are being given importance. This will help organization to retain employees and they will be more motivated to work hard and enthusiastically which will help the organization to achieve their goals effectively and efficiently.

Career development is about providing opportunities for employees to grow personally and professionally (Horwitz et al., 2003). It means that employees are able to be promoted and go to higher levels within their organizations. Career development considered as one of the human resource practices that help in retention management issue. Many studies mentioned it as one of the main retention strategies (George, 2015). Studies have shown that a lack of career development opportunities within an organization leads to high employee turnover (Presbitero et al., 2016). In contrast, organizations that implement career development programs are more likely to have a high level of commitment and retention among their employees. In fact, De Vos and Meganck (2009) in his study argues that career development opportunities among other unpopular factors such as job content and work-life balance have a higher impact on employees' retention than compensation, performance appraisal and communication. Similarly, (Hausknecht et al., 2009) confirms that among all factors studied to assess their relationship to employees' retention (job satisfaction, career development opportunities, organizational commitment and organizational reputation), career development is the most related to employees' retention

decision. Horwitz et al. (2003) confirmed the idea by saying that the most popular retention factors are not always the most effective ones; many variables can play roles in this idea such as the type of industry the organization operating in, the type of organization either local or multinational among other factors.

In their study, Chen et al. (2004) conducted in Taiwan to examine the career needs and also to assess the gap between these needs with the provided career development program in one of research and development department. Results concluded that employees have a high intention to leave if the gap between these needs and the available career development program is high. Based on their result, career development is the main contributor to employees' job satisfaction

2.1.6. Employee Retention
Due to different definitions of the literature review conducted by researchers, the organizations naturally make some efforts to retain employees who enhance the status of the organization. kavittha, Geetha and Arunachala (2011) outlines that the employee's retention is a responsive. It is an effort to keep qualified employees in an organization. Aruna and Anitha (2015) view employee retention as procedure whereby an employee has undergone some training and coaching and become talented in the area of specialization and be committed in the work within the establishment, this add to the advantage of the organization.

Any successful organization who are in search to lessen the misuse of business income is to enhance the reduction of the employee turnover. While Ratna and Chawla (2012) suggested that it is better for an organization to retain a qualify employee rather than hiring, because employee retention signified taking a proper process of encouraging the employees to dwell in the organization as long as they desire. According to the research that was conducted by kavittha, Geetha and Arunachala (2011), it was discover that to retain a well skills employees has become a grave subject and a lot of organizations are facing challenges to retain their trained employees, and some organizations loses their employees due to lack of management. It is a great lost when a trained and talent employee leave the organization, this will create a weak loyalty guide in the organization. Masbigiri and Nienabar (2011) outline that the inability to retain employees can lead to more expenditure, losing well skilled employees can be a great loss; the recruitment of new employees will involve spending more money and have an adverse consequence on the

proceeds of continuous reality. Therefore, retaining competent employees reduces the cost of recruiting new employees into the organization.

Kavitha and Geetha (2011) also review that most companies are not capable to retain their trained employees, as cost of inability to manage and provide them with the necessary facility after training makes organization to loss the employees. The competitors are ready to offer an attractive offer, as to attract the qualified employees.

2.2. Theoretical Foundations of the study

In order to gain insight into questions about what makes people satisfied with their jobs and stay in the organization as well as what underlying processes account for people's feelings of job satisfaction, Herzberg's Motivation-Hygiene theory is used. The theory attempts to specify the particular needs that must be satisfied or the values that must be attained for an individual to be satisfied with his job. Herzberg's theory tries to answer questions like 'what needs do people try to satisfy?' and 'What impels them to action?'

2.2.1. Herzberg's Motivation-Hygiene theory

According to Herzberg's Motivation-Hygiene theory, certain workplace variables lead to job satisfaction, while others lead to job dissatisfaction. His findings have a practical impact on people's perceptions of intrinsic motivation. Individuals, he claims, are uncomfortable with the satisfaction of lower-order wants at work, such as those related to minimum wage levels and bad working conditions. Rather individuals look for higher level needs having to do with achievement, recognition, responsibility, and advancement. This appears to be parallel with Maslow's theory of need hierarchy. Herzberg, on the other hand, provided a new dimension to this research by proposing a two-factor model of motivation, based on the idea that the existence of one set of job characteristics leads to unhappiness and the desire to resign.

According to theory, in order to improve employee attitudes and productivity, managers must recognize that greater contentment leads to higher job satisfaction and, as a result, staff retention. Unfavorable assessments of job-related variables such as business regulations, supervision, operational problems, interpersonal relations, a lack of career possibilities, and working conditions can also cause dissatisfaction. These factors do not only lead to dissatisfaction, but also serve a reason for employees to leave.

Opportunities for employee development and the utilization of skills are important factors affecting job satisfaction and motivation. Job satisfaction is a function of training opportunities. Motivational theories have pointed to the motivational role of employee development. It is considered by Maslow as a higher need that is satisfied at a high level (Maslow, 1970) and is considered by Herzberg as a motivator or satisfier factor (Herzberg, 1966) as cited in Abdella (2017). Therefore employee development is a satisfier factor to retain employees in the organization. Building upon this theory the current study investigates the relation between employee development program and employee retention.

2.3 Related Empirical Literature Review

Employee development program is one of the most important factors that are used for employees and employers in the industry. Employee development program for employees as an activity performed to indicate companies care about their employees wants to achieve (Elena P., 2000). Many of the companies engaged in employee development program for the purpose of gaining employee job satisfaction and retention which are used for employees to work hard and utilize their full skills and efforts to achieve the goals of the organizations. This concept indicates that employee development has recognized by the employees who want to learn or who are willing to learn. When employees are willing to learn, they show their interest in the developmental activities, as a result they are more satisfy and retain with their job which was lead to increase in their performance Elena P. (2000).

Employee development is a personal responsibility of employees at all levels and involved in the developmental activities whether the upper level employees, middle or lower level employees (Antonacopoulou, 1996). When an individual employee wants to learn, he would learn more and more, he would participate in many other activities such as attend in short term trainings, on the job trained and others developmental activities, either on the job or off the job. This certainly would lead to employee development, and also increases their performance, and satisfaction in their work place, thus minimize turn over bothos 2020. Training, Employee mentoring and coaching, job rotation, and career development/promotion, is an important instrument on employee retention that addresses gaps or discrepancies between an ideal and an optimal stage of developmental program but it requires the interest of employers.

2.3.1 Effect of training on employees' retention

Employee Knowledge originated from results-driven, ambitious, idealistic, competitive, optimistic, and people-orient is lost unless companies develop strategies to simultaneously retain skilled and experienced employees in order transition their knowledge to younger workers (Morton, Foster, & Sedlar, 2005). The turnover of experienced workers leads to "brain drain" that results the loss of key information about the task or work place practices that could be a loss for the organizations (Tsegaye, 2016).

Delgad et.l (2011) disclosed that employee's knowledge makes a person becomes better employees. Accorded to Silverthorne (2004), the better the knowledge of employees fit with the organization, the higher the job satisfaction, the higher the organizational commitment and the lower the turnover rate. Siebern-Thomas (2005) found that job satisfaction tended to be higher where there was access to workplace training. Jones et al. (2008) found that training is positively and significantly associated with job satisfaction and that job satisfaction is also positively and significantly associated with workplace performance.

Abdella (2009) states that individuals gain satisfaction from jobs that require the use of their abilities and skills as compared to jobs in which they feel their abilities are not being used. The same author concludes that skill utilization has a strong influence on job satisfaction because workers desire jobs that allow them to make good use of their skills and abilities. In addition Shipton et al. (2004) maintain that employees are most likely to contribute their knowledge and skills to innovate in situations where they feel positively towards their jobs and organizations.

The findings of Grant et al. (1990) support that employee who feels they are contributing their skills and abilities to the job tend to have higher levels of job satisfaction. As a result apart from meeting the requirements of Human Resources, training will also increase the marketability of the employee being trained, and ultimately the organization. The skills the employees gain will enable them to meet challenges head on and succeed (tsegaye, 2016). Besides, when the training falls short of the intended purpose the employee will become frustrated and this will lead to employee turnover (Kirschenbaum & Weisberg, 2002).

Nel et al. (2004) suggested that a continuous phase of training with development programs should be able to ensure that the employees remain up to date with the latest issues in the industry, and thus will ensure that the employee's knowledge and competence stay on par.

Supporting employees through empowering them to gain access to further education will make them more valuable for the organization (Smit and De Cronje, 2003). Regular workshops or seminars will increase the employee's understanding of their respective roles in the organization, as well as to stimulate new goals that they can set for themselves. The employees must be challenged continuously in their roles on the job to enable them to remain on par with their fields of expertise. Van Tiem (2003) said that employees will remain engaged for longer in their organization when they feel that the organization has invested in them.

Booyens (2000) said that the orientation in the organization is the personalized training of the individual employee to assist him with becoming familiar with the job that he needs to fulfill on the job itself. The aim of this orientation is to be as effective as possible and remain productive. This orientation process's aim is the need to reduce the anxiety. Page (2001) also states that an orientation process will also assist in facilitating the employee's social interaction with the organization.

Cheng and Waldenberger (2013) found a positive relationship that consisted between training, individual employee improvement and turnover. Martin stated in 2008 that with the upgrading and enhancing skills abilities, employees tend to be more fulfilled and thus tend to remain with the organization for longer.

Brown and Leigh (1996) state that professional development may also lead to an increase in the perceived meaningfulness of work, encouraging people to invest more cognitive and emotional resources in their work, and enhancing employees' identification between their work roles and the organization's goals. It is also possible that people develop a stronger sense of job competence and autonomy when they perceive learning opportunities, leading them to feel more enthusiastic and comfortable in achieving the job requirements (Daniels, 2000).

Similarly, employees need ongoing training to increase their knowledge, which positively affects their enjoyment of work. There is an ongoing theme in the literature that professional development has a positive effect on employees in the workplace (Novick et al., 2008). For instance, Novick et al. (2008:272) maintain that Professional development of employees pays off in two key ways. First, such development leads to breadth of skills, knowledge, and attitudes greater job satisfaction by the employees, improved morale, , and enhanced employee

performance. Second, the organization benefits reduced employee's turnover. The following hypothesis tries to short this argument.

Ha1: Training has a statistically significant effect with employees' retention.

2.3.2The effect of Job rotation on employee retention
Job rotation is a practice that allows an employee to move laterally between divisions or units within an organization, through allowing the employee on-the-job training and experience in a variety of areas, without a change in rank or employment status (Morrison and Hock, 1986). Redman and Wilkinson (2001) state that there are ranges of jobs in each organization where employees can be set to work for a short period on each job by moving from one cycle to the next – hence the term 'rotation'. Job rotation within an organization alleviates employee boredom, provides job variety, and allows employees to learn new skills (Abdella, 2009). Organizational practices most commonly mentioned in police literature identify job rotation as being a significant activity in the promotion of professional development. Therefore, professional development programs have a positive influence on employee job satisfaction, and subsequently improve performance and reduce turnover (Abdella, 2009).

Rotating employees to different positions is an excellent way to motivate employees, give them a sense of belonging, reduce boredom and fight off a lack of commitment (Tsegaye, 2016).Through these process employees learn several different skills and perform each task for a particular time period, and used for different place of job assignments that helps the employee in order to understand the different steps that is used created a product and service delivery, how their own effort affects the quality and efficiency of production and customer service. Job rotation practices can defer to skill variety and task identity rotated employees to different positions is a very good way to motivate employees, give them a sense of belonged, decrease boredom and force away a lack of commitment and increase employee satisfaction (tsegaye, 2016). Therefore, job rotation enables employees to gain experience in different stages of the business and, hence, broaden their viewpoint and as the result satisfied and retained them for a reasonable period of time. It is possible to short the above studies into:

Ha2: Employee rotation has a statistical significant effect with employee retention.

2.3.3. Effect of Coaching and mentoring on employees' retention

Accorded to Journal of Applied Business and Economics (2011), the mentoring process as a "developmental, cared, shared, helped relationship where one person invests time, knowledge and effort in order to increase and improve another person's growth, knowledge and skills" that is helpful for employee's job satisfaction and retained in the organization. Tsegay (2016) mentioned that Mentoring program in banked industry considered as performance interventions, but this program are implemented to pair an experienced employees as a mentor, with an inexperience employee as a mentee. The purpose is to increase the knowledge and productivity of the employees and to enhance the performance of the organization. In those banks effective implementation of mentoring program, the benefits of running such kinds of program have compensated the costs they incur.

Coaching retains and motivates employees to perform well in their roles. It improves executive learning, performance and leadership efficiency with working relationship with supervisors and customers; it reduces conflict among the employees (Besson, 2012).

Coaching inspires an employee to face any challenges that may occur during working period, and this would in turn elevate their motivation to attain individual's goals as well as the organizational objectives (Feldman, 2001). Coaching is a necessary tool for the development of career for the improvement of the skills and performance of employees. Coaching relate to individual improvement, growth and to accomplish a higher performance rank by providing positive feedback and support (Rayner, 2008).

Therefore, coaching enhance the performance and brings out the right potentials of the employees, it also helps the individuals and the organizations in making decisions about designing, implementing and measuring the effectiveness of the job role in the organization (Whitmore, 2010).

Coaching is useful for motivating staff, delegating, problem solving, team building, staff development, assessments, team working, planning and reviewing (Whitmore, 2010).

Therefore, in organizations coaching is an important instrument in developing the employee's career, refining the skills and performance, as it is on one to one progression. It is to improve the growth and to achieve advance performance level, by providing positive support and

consciousness to the employees in order to be active in their roles. This will encourage the employees to remain in the organization, and it will lead to less expense in training new employees (Whitmore, 2010).

Shamash and Sims (2011) review that the drop in using coaching as a method to develop the potential and competent employees in the business environment has increased turnover and unemployment. According to a study carried out by Wolf (2011) continuous training by coaching appraisal to improve performances brings the right potential of the employees and increases retention in the organizations.

Building up on the above reviewed literature, it is possible to hypothesize in such a way that:

Ha3: Coaching and mentoring has a statistical significant effect on employee retention.

2.3.4 Effect of Carrier Development/ promotion on employee retention

Vroom (1982) argued that promotional opportunity is a goal most workers desire and that an individual's performance is related to the degree to which the individual believes that being promoted is related to performance on the job and how strongly the individual desires the promotion. Studies of employee satisfaction have identified promotional opportunities as an environmental antecedent to job satisfaction (Ellickson and Logsdon, 2001). Purohit (2004) states that while it is true that individuals search for satisfaction in their work environment, they also attach importance to the opportunities for promotion that these jobs offer. If a job offers the opportunity of promotion in the future, it provides more satisfaction. If the opportunity for such promotion is limited, this reduces satisfaction. According to Schneider et al. (1992), employees who perceive few opportunities for advancement have negative attitudes toward their work and their organizations.

Therefore, it is important for the organization to take into account cases where promotion policies are designed to enhance employee satisfaction. According to Armstrong (2004), in any organization where there are frequent promotional moves and promotion arrangements cause problems, it is advisable to have a fair promotions policy and procedure that is known to both management and employees.

Meier and Hicklin (2007) concluded that the technique of lowering the turnover rate of an organization lies in the expansion of employees' responsibilities through promotion and that it

can prompt the organization towards sustainable development. Competent employees can easily quite if organization does not provide career development, which can lead to high turnover in the organization (Clarke, 2009).

A study by Meyer (2003), conducted to examine the mechanism involved in observed relations between Human Resource Management practice and employee commitment has shown that internal career development of employees is the best predictor of effective employee commitment which will likely enhance retention.

In another study by Prince (2004) it was found that talented employees are required for maintaining a competitive advantage and employees want career grown opportunities to develop and rise in their career ladder. In yet another study by Eyster (2008), which explored" to identify the main factors of retention management strategies" in two organizations based in India, found that career development is a critical incentive for employees to retain. A study by Yamamoto (2006) has also shown that employees who have attained career plateau have a higher degree of intention to quit due to reduced opportunities in the present organization well.

Organizations needs cannot be satisfied without satisfying individual needs of career development that leads to employee satisfaction, boost up productivity, and reduce turnover rate of employees (Goyer, 2010). Career development and growth in their workplace creates retention and increased job satisfaction (Papageorgiou et al., 2013). On the other hand, dissatisfaction with management supervision leads to job dissatisfaction (Abdella, 2009).

Abdella (2009), disclosed that there is a positive relationship between job satisfaction, advancement and propensity to turnover and there is a negative relationship between perceptions of upward mobility and the propensity to leave among a service-orient business organization. Julietomoikhudu (2012) said that career development takes into account the legitimacy of employee needs at all levels and attempts to provide the best possible match with organizational need so as to retain them.

A study of bank sector in India has shown that Career development is more valuable for the development of the organization's values and goals and objectives in relation to their retention of employees. Thus, career development in organizations helps to develop their careers experience and reduces employee turnover rates (Sapna Bai and Mehran Bhutto 2016)

Career development creates opportunities for promotion within an organization and provides an opportunity for training and skill development that allows employees to improve their employability, hiring on the external and internal labor market (Stahl, Björkman, Farndale, Morris, Paauwe, Stiles & Wright, 2012).

Armstrong (2009) concurs when he asserts that, lack of clear career path or development is a significant cause of poor employee retention. To maintain a stable workforce, employers should learn to plan to provide career opportunities by providing employees with more full expectations, encouraging promotion from within and developing equitable promotion procedures (Armstrong, 2009). Therefore, the following hypothesis is made:

Ha4: Career development / promotion has a significant effect with employee retention

2.4. Conceptual framework

Building up on the above theoretical foundation and reviewed empirical literature the study developed a conceptual framework as follows. In this study employee retention is a dependent variable while training, job rotation, carrier development/promotion, and coaching and mentoring are independent variables.

Independent Variables   **Dependent Variable**

| Training |
| Job rotation, |
| Mentoring and Coaching |
| Carrier development/promotion |

→ Employee retention
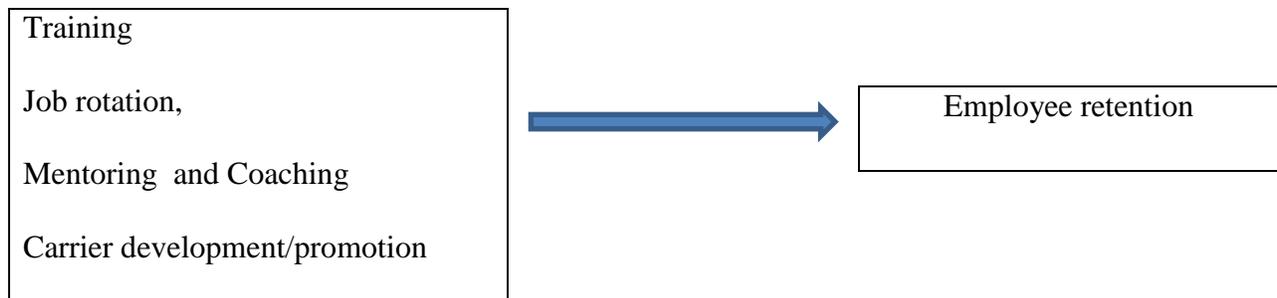
Source: (Compiled from Literatures)

CHAPTER THREE

3. METHODOLOGY OF THE STUDY

Introduction

In the previous chapter deals with literature and concepts related to the subject matters of the research. In this chapter the researcher tried to show the research design and methodology that was be used in conducted the study. Research design, population, sample size and sampled method, research instrument, source and method of data collection, procedure of data collection, validity, reliability, and ethics and method of data analysis and presentation.

3.1 Research Design

The study put into practice the explanatory research design because the study aimed to answer why training, job rotation, coaching and mentoring and carrier development have an effect on employee retention. Since explanatory research demands to investigate logically organized propositions which are used to explain describe and predict the phenomenon to investigate the effects of relationships between variables. Explanatory research distinguishes between dependent and independent variables. Accordingly the research objectives and hypothesis of the study were addressed through explanatory research type (Saunders et al., 2009).

3.2 Research Approach

The current study focused on investigating the relation between employee development and employee retention Based on the research behavior, the researcher decides to quantitative research approach. It is used to test hypotheses (Kothari, 2004). This is due to quantitative method generalizes research findings to its population. Quantitative method can achieve greater objectivity and more accurate results. It is used to achieve the validity and reliability of data. It provides quantitative numerical data (Saundars et.al, 2009).

3.3 Population, sample size and sampling procedure

3.3.1 Target population

The target population for this study is employees of Ethiopian Shipping and Logistics Service Enterprise working in Head Office located in Addis Ababa.

3.3.2 Sampling Procedure and Sample size determination

The study sample will consist employees from the head office which is located at Addis Ababa. From the head office employee will be selected by using **simple random sampling technique**. All employees in the main head office will be the target population for the study. A random sample of 258 will be selected from the target population. The head office has 726 total numbers of employees. By using Taro Yamane's formula of $n=N/[1+N(e^2)]$ the sample size will be 257.904 this will be approximately 258.

Sample size determination

$$n=N/[1+N(e^2)] = 726/[1+726(0.05^2) = 257.904 = 258$$

Where   n= sample size

N= population size

e= level of precision or acceptable sampling error (0.05)

3.4 Data Sources and Data Collection Method

3.4.1 Data Sources and Types

There are two types of data: primary data and secondary data. Primary data is collected for a specific issue. It could be either qualitative such as interviews, semi-structured or unstructured; focus groups; observations; and case studies, or it could be quantitative such as questionnaires; and structured interviews. On the other hand, secondary data is available to any researcher to obtain what is required, and consequently, it is not created for specific topics. Secondary data embraces raw data and published summaries (Saunders et al., 2012).

Primary type of data is suitable for both descriptive and explanatory research, for example, Collis and Hussey (2003), Hair et al. (2007) and Saunders et al., (2012). Based on the research questions and objectives, this study employs primary data.

3.4.2 Data Collection

The main emphasis of this study is examining the effect of employee development program on employee retention of Ethiopian shipping and logistics service enterprise. Hence, the study's unit of analysis is employees of the enterprise. Therefore, the data essential for this research is gathered from primary source through questionnaires of employee and managers in the head office of Ethiopian shipping and logistics service enterprise. The questionnaire design to elicit the required information relating to the dependent and independent variables. There will be close ended questions and most of the questions will be stated in a five-point Likert scale for officers and for HR managers of the ESLSE.

3.5 Methods of Data Analysis

Descriptive analysis used to analyze data gathered through questionnaires. The data gathered through questionnaires was fed into SPSS to make the data ready for processing through graphs, figures, tables and charts, i.e. a descriptive analysis was implemented like frequencies, mean and standard deviation. In addition to descriptive analysis, the study also conducted inferential statistics to see the effect of independent variables of EDP (Training, job rotation, Mentoring and Coaching and career development/promotion,) on dependent variables (Employee Retention) in ESLSE. By using Pearson's r, Correlation coefficient and multiple regression analysis.

The followed multiple regression equation was used for the study:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Where

Y = dependent variable (employee retention)

β_0 = is the Y intercept or constant

$\beta_1 \ldots \beta_4$ = coefficient of regression which measures how each independent variable influences the dependent variable that is employee retention.

X1 = Training

X2 = job rotation

X3 = Mentoring and Coaching

X4 = carrier development/promotion

ε= Error Term

The model adopted from the research conducted by Scheryl Waeni Musyoka (2015)

3.6. Reliability

Bordens and Abbott (2011) showed that reliability related to the extent to which a test measured consistently regardless of what it measured or whether or not a test produced the same results on different occasions. The measure was reliable when respondents gave the same answer in different situations. Cronbach's alpha is a reliability measure designed by Lee Cronbach in 1951. (Bhattacherjee, 2012) Cronbachs alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees.

The values of Cronbach's alpha range from 0 (observed items are not consistent) to 1 (they completely correlate). This means that internal consistency will be acceptable if Cronbach's alpha is high (George and Mallery, 2003). Hair et al. (2010) and Field (2009) reported that Cronbach's alpha ought to be equal to or above 0.70 according to Heung and Chu (2000) Liu and Arnett (2000). In order to achieve Cronbach's alpha, the study conducted a pilot test. Therefore, the initial questionnaire was delivered to and collected from 30 Ethiopian shipping and logistics service enterprise employees who work in the main office in order to obtain some assessment related to the questions' reliability and validity. Then the returned 29 pilot instrument questioners are coded, analyzed, and a Cronobach's Alpha test is identified by SPSS IBM version 20.00.

Hence,

Table 3.1 Reliability Statistics of variables

No	Variables	Cronbach's Alpha
1	Training	0.802
2	Job Rotation	0.754
3	Coaching and Mentoring	0.775
4	Carrier Development	0.882
5	Employee Retention	0.814

So as a result, the overall Cronobach's Alpha value of the dependent and independent variables in this study met the minimal reliability indicator criteria of Cronobach's Alpha >.070.

3.7. Validity

Validity, often called construct validity, refers to the extent to which a measure adequately represents the underling construct that it is supposed to measure, (Bhattacherjee, 2012). Validity is used to make more accurate and meaningful results. And also Content validity or expert validity depends on the quality of the literature and the theories which are used to build this instrument and some experts should assess the questionnaire, also, in order to determine whether or not the questionnaire measures what it should measure (Ruane, 2005; Vogt, 2007). So the initial questionnaire was delivered to my advisor and three MBA students. Most of the feedback confirmed that the items related to their constructs and recommended that some items be rephrased in order to be clearer and more understandable.

3.8. Research Ethics

According to Creswell (2003) "as the researchers' anticipate data collectors, they need to respect the participants and sites for the research"

CHAPTER FOUR

Data Analysis & Interpretation of Results

This chapter presents the results of the study based on the analysis of the data collected from the respondents and discussion of results on the basis of the literatures. As indicated in the previous chapter, the main attempt of this study is to investigate the effect of employee development program on employee retention. Therefore, the analysis and discussions for research findings obtained from the questionnaires. It reports the investigation results obtained from employees of the enterprise offices covered in the questionnaire.

So the data gathered through questionnaire are presented, analyzed and interpreted using percentages and frequencies with the help of Statistical Package for Social Science (SPSS). To collect relevant data, 258 questionnaires were distributed to employees of the Ethiopia Shipping and Logistics Service Enterprise. Among the questionnaires distributed to employees 258 questionnaires, the researcher collected 216 properly filled questionnaires in which the response rate is 83.72 percent. Twenty Five (42) questionnaires missed because in one hand some of them were incomplete on the other hand respondents failed to return back their filled questionnaire to the researcher. According to the organized questionnaires, the researcher produced the following analyses.

4.1 Demographic Characteristics of the Respondents

4.1.1 Sex of Respondents

The demographic data for sex shows that out of the 216 respondents 143 respondents are male and 73 respondents are female. Table 4.1 shows the majority of respondents are males that represented 66.2 percent, while female represents the remaining 33.8 percent.

Table4.1: Sex of Respondent

Gender of Employee

		Frequency	Percent	Valid Percent	Cumulative Percent
	Female	73	33.8	33.8	33.8
Valid	Male	143	66.2	66.2	100.0
	Total	216	100.0	100.0	

Source: Own Survey, 2021

4.1.2. Age of respondents

The table 4.2 below discloses that majorities of the respondents who are at the age of 27-37 covering almost 62% followed by age group 19-26(19% percent). And 38-48 and 49-59 are respectively 15.7% and 3.2%.Generally age is one of important demographic variable that influences the physical and mental abilities of individuals at work. Most of the employees are younger therefore it is a productive age group to do their job in fresh mind

Table 4.2: Age of respondents

Age of Employee

		Frequency	Percent	Valid Percent	Cumulative Percent
	19-26	41	19.0	19.0	19.0
	27-37	134	62.0	62.0	81.0
Valid	38-48	34	15.7	15.7	96.8
	49-59	7	3.2	3.2	100.0
	Total	216	100.0	100.0	

Source: Own Survey, 2021

4.1.3. Educational Level of Respondents

The table 4.3 shows those respondents' educational level ranges from college diploma to master's degree. Majority of the respondents, i.e., 76.4 percent of the respondents (165 out of the total 216 respondents) hold BA degree which represents. While the remaining 27 and 24 of them are masters and diploma holders, respectively. This shows that almost all employees are capable of quickly acceptable for things and implement to their own jobs

Table 4.3: Educational Qualification

Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree	165	76.4	76.4	76.4
	Diploma	24	11.1	11.1	87.5
	MA	27	12.5	12.5	100.0
	Total	216	100.0	100.0	

Source: Own Survey, 2021

4.1.4. Years of Service (Experience) in the Company

The service year of the respondents varies from a minimum of 1 and a maximum of over 15 years. The majority of respondents have served their company from 0-5 years which represents 41.2% and 20.8% percent (a total of 62%). There respondents which have served their current company from 6-10 years are 25%, and those who worked 11-15 years in the company are 5.6% in present. The result shows most of the respondents joined the enterprise in recent times. In these case not more than ten years.

Table 4.4: Years of Service (Experience) in the Company

Experience of Employee

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 2 years	45	20.8	20.8	20.8
	2 – 5	89	41.2	41.2	62.0
	6- 10	55	25.5	25.5	87.5
	11 – 15	12	5.6	5.6	93.1
	over 15	15	6.9	6.9	100.0
	Total	216	100.0	100.0	

Source: Own Survey, 2021

Therefore relatively most of the responses about demographic characteristics more or less were proportionally approach to the true population of the study area which in turn gave relatively

better opportunity to elicit analyzable information and data on assessing the effect of employee development program on employee retention.

Before proceeded to the analysis of the data collected, the overall reliability of the measurement scales is tested.

Reliability test

No	Variables	Cronbach's Alpha
1	Training	0.872
2	Job Rotation	0.783
3	Coaching and Mentoring	0.871
4	Carrier Development	0.763
5	Employee Retention	0.852

The overall Cronobach's Alpha value of the entire dependent and independent variables in the study has fulfilled the minimum requirement of a reliability indicator i.e. Cronobach's Alpha > 0.70. The study is reliable.

4.2 Descriptive Statistics Analysis

The study targeted a sample size of two hundred fifty eight. Out of two hundred fifty eight questionnaires two hundred sixteen of them were collected with a response rate of 83.72%. However, in order to get higher response rate the researcher distributed two hundred fifty eight questionnaires. Only two hundred sixteen responses were valid with complete answers. Finally, the statistical methods of analysis were discussed, which included a descriptive analysis, through SPSS version 20. Descriptive statistics was used to analyze the quantitative data. The data were analyzed and the output interpreted in terms of frequencies, mean, standard deviation, percentage, and table by using likert scale 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree ,mean values to show the degree of agreement or disagreement respondents represented their opinion to each questionnaire items.

4.2.1 Results of Employee Development Program

Here the researcher try to presents respondents perception of EDPs in key four areas namely, training, job rotation, career development, employee mentoring and coaching.

Analysis in this respect is helpful to pinpoint the toughest and weakest contributors of the employee development program pointers. There by helps to review the Employee Development Program and improve its contribution.

4.2.1.1 Training

The fundamental aim of training is to help the organization achieve its goals and objectives by adding value to its key resource which is the human resource. In this section, the researcher analyzed the effect of the trainings provided by the company upon the employee's retention. Huselid (1995) has suggested that employee development program such as providing training are important determinates of employee retention.

Table 4.5 Respondents response on Training

Item	S.D%	D%	N%	A%	S.A%	Mean	Stand. Dev'n
The course content is relevant to my job.	10.2	8.3	27.3	46.3	7.9	3.33	1.078
Almost everything learnt can be applied at work	9.7	25.0	31.9	30.6	2.8	2.92	1.026
It is difficult to practically apply what has been learnt	2.8	9.7	42.1	40.7	4.6	3.35	0.827
I found that skills and knowledge can be applied in the enterprise	7.4	15.7	27.3	41.7	7.9	3.27	1.057
I can coach other new employees to the area	13.4	14.8	37.5	25.9	8.3	3.01	1.133

Source: output of SPSS

Based on the above result, almost half of the respondents (46.3%) agreed that the course content is relevant to their job with a mean score of 3.33and Almost everything learnt can be applied at work is 2.92, They also agreed with the issue It is difficult to practically apply what has been learnt with a mean score of 3.35, and they agree on the application of skills found, I found that skills and knowledge can be applied in the enterprise mean of 3.27 and finally I can coach other new employees to the area with a mean of 3.01 and which is neutral. The overall mean result

shows that employees are agree with training effects on their approach on the enterprise. Generally, in the aspect of training in the organization as the researcher found from the survey it implies that there is training available in the Enterprise, even though it needs some improvement to give equal training opportunity to their employees,

4.2.1.2 Job Rotation

Table 4.6 Respondents response on Job Rotation

Item	S.D%	D%	N%	A%	S.A%	Mean	Stand. Dev'n
Transfer employees from one department to another	24.5	25.5	13.9	18.1	18.1	2.8	1.452
Change employee positions in the same department	26.4	26.4	21.8	18.1	7.4	2.54	1.261
I have got an opportunity to do a variety of tasks.	28.2	22.7	20.4	26.9	1.9	2.51	1.212
Job rotation program of the enterprise is an excellent system to acquire new methods of work.	19.0	26.9	13.0	36.9	14.4	2.91	1.368
Before job rotation, the organization seeks my consent.	36.6	31.5	11.1	17.1	3.7	2.2	1.209

Source: output of SPSS

Based on the above result mean score of the respondents shows their disagreeability to the questions related to "Transfer employees from one department to another" mean score of 2.8, "Change employee positions in the same department" mean score of 2.54," Before job rotation, the organization seeks my consent" mean score of 2.2. The rest of the two measurements of job rotation "I have got an opportunity to do a variety of tasks" mean score of 2.51, and "Job rotation program of the enterprise is an excellent system to acquire new methods of work" a mean score

of 2.91. The job rotation measurement factor shows that most of their responses are approach to disagree. Therefore from these jobs rotation program in the enterprise was not good enough for the employees, so most of the respondents disagreed about job rotation; the organization should consider these and needs improvement for the sake of their employees.

4.2.1.3 Carrier Development

Table4.7. Respondents response on Carrier Development

Item	S.D%	D%	N%	A%	S.A%	Mean	Stand. Dev'n
There is promotion and opportunity for career development provided by the enterprise.	21.3	28.7	17.1	14.4	18.5	2.8	1.412
There is a clear path way for career development in the enterprise.	27.3	29.2	16.7	18.1	8.8	2.52	1.301
I know where my career is going	28.7	20.11	20.8	27.3	2.8	2.55	1.242
My work effort contributed to my personal growth	22.7	33.3	19.0	18.1	6.9	2.53	1.220
Women and men have the same opportunities for career and development.	37.0	28.7	12.0	17.1	5.1	2.25	1.258

Source: output of SPSS

The mean scores of responses suggest that respondents were at most disagree to questions on career development as shown in Table above. As shown the result majority of the respondents disagree that there is promotion and opportunity for career development provided by the organization the mean score of 2.8 and on the issue of their "knowing where their career is going" Mean score of 2.55, There is a clear path way for career development in the enterprise Mean score of 2.5, concerning their intention to growth "My work effort contributed to my personal growth" Mean score of 2.53, and regarded their gender "Women and men have the same opportunities for career and development. "Mean score of 2.25, from the response of employees the researcher concluded that career development in enterprise was not enough for the employees, so most of the respondents disagreed about career development program; the

organization should consider these and needs improvement for the sake of their employees to minimize turnover.

4.2.1.4 Mentoring and Coaching

Table 4.8 Respondents response on Mentoring and Coaching

Item	S.D%	D%	N%	A%	S.A%	Mean	Stand. Dev'n
Mentoring and coaching helps to enhance knowledge, skills and expertise from the experienced professionals as they can assist less experienced employees gear up to the speed.	7.4	13.9	25.0	35.6	18.1	3.43	1.155
During work employees are given support by their mentors.	11.6	14.8	23.1	26.9	23.6	3.36	1.304
My retention is influenced by staff mentorship and coaching programs that the firm has put in place.	12.5	20.4	31.5	21.3	14.4	3.05	1.223
Mentors and coaches are always around when needed.	10.6	17.6	27.8	36.6	7.4	3.13	1.120
We are socially connected in the workplace than before.	12.5	14.4	24.1	28.7	20.4	3.30	1.289

Source: output of SPSS

From the Table 4.9, the mean score of the respondents shows agreement to their participation on regular review of objective of knowledge sharing for improvement. Form the questions respondents shows their agreement on the issues of "Mentoring and coaching helps to enhance knowledge, skills and expertise from the experienced professionals as they can assist less experienced employees gear up to the speed." with the mean score of 3.43, and "During work employees are given support by their mentors." with the mean score of 3.36, the respondents also agreed that "Mentors and coaches are always around when needed." the mean score of 3.13 and "We are socially connected in the workplace than before." a mean score of 3.30, and finally

the respondents also agreed to My retention is influenced by staff mentorship and coaching programs that the firm has put in place with a mean score of 3.05. The finding shows that most of the respondents agree that mentoring and coaching has its own effect and it has been found to influence employee retention.

4.2.2 Results of Employee Retention

Table 4.9 Respondents response on Employee Retention

Item	S.D%	D%	N%	A%	S.A%	Mean	Stand. Dev'n
Investment in on EDP is considered important factor by the organization.	6.0	16.2	36.1	32.9	8.8	3.22	1.019
Opportunity for moved to higher levels within the Organization.	4.2	6.0	42.6	37.5	9.2	3.43	0.902
The degree of attachment to individuals associated with the organization such as supervisor, co-workers, or customers.	2.8	9.7	38.4	44.0	5.1	3.39	0.839
The degree to which the organization is to be trustworthy and well respected	5.6	13.9	37.5	23.6	19.4	3.38	1.114
Employees tend to remain with the organization when they feel their capabilities and efforts are recognized and appreciated.	8.8	18.1	26.9	25.9	20.4	3.31	1.232
A good work environment enhances employee retention.	7.4	12.5	34.3	29.6	16.2	3.35	1.118
There is low labour turnover in the organization	7.9	22.2	33.3	28.2	8.3	3.07	1.074

Source: output of SPSS

4.3 Inferential Statistics Data Analysis

4.3.1 Correlation results

Correlation between the independent variables (Employee development program) and Dependent variable (Employee Retention)

Table 4.11 Correlations between independent and dependent variables

		Training	Job rotation	Carrier development	Mentoring and coaching	Employee Retention
Training	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	216				
Job rotation	Pearson Correlation	.391*	1			
	Sig. (2-tailed)	.000				
	N	216	216			
Carrier development	Pearson Correlation	.487**	.551**	1		
	Sig. (2-tailed)	.000	.001			
	N	216	216	216		
Mentoring and coaching	Pearson Correlation	.532**	.326*	.475**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	216	216	216	216	
Employee Retention	Pearson Correlation	.638**	.359*	.293*	.597**	1
	Sig. (2-tailed)	.000	.000	.002	.000	
	N	216	216	216	216	216

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey, 2021

In this topic tray to measure the degree of association between variables that is independent variable's (Employee Development Program) and Dependent variables (employee Retention) in Ethiopian Shipping and Logistics Service enterprise. Pearson's correlation uses to associate the independent variables and dependent variables. These paper used Pearson's coefficient of correlation in order to quantify the strength of the relationship between the variables Pearson

correlation coefficient reveal magnitude and direction (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). The table 4.11 shows below above, the coefficients of dependent and independent variables with the range of 0.293 up to 0.638 all are significant at $p<0.01$ and <0.05

As the result given on the table 4.11 the relationship between the independent variables, the symbol shown in the table "**" indicates that each of the variable are significant correlated with each other at a significant level of $p<0.01$

All independent variables are significantly correlated with the dependent variable employee retention

4.3.2 Assumption test on multiple linear regression model

4.3.2.1 Multicollinearity Test
Field (2005) stated that multicollinearity refers to which two or more independent variables are very closely correlated. The presence of multicollinearity would not contribute to a good regression analysis. However, in most research, multicollinearity is present to some degree, but as long as the correlation coefficient between any two variables is not too large, the assumption of multicollinearity can then be ignored (Pedhazur 1997).

The following assessments can be carried out to diagnose the multicollinearity:

If the correlation coefficient is greater than 0.9 between independent variables then there is cause for concern (Field, 2005). If the largest Variance Inflation Factor (VIF) value is greater than 10, then there is cause for concern (Field, 2005). VIF was used in this study as the cut-off threshold for high multicollinearity.

Another way of assessing multicollinearity is to measure the tolerance values. If the tolerance value is less than 0.1, there is almost certainly a serious collinearity problem (Hair et al., 1998; Field, 2005). In other words, very small tolerance values denote high collinearity.

Table 4.11Multi-Collinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Training	.906	1.107
	Job rotation	.990	1.164
	Mentoring and coaching	.707	1.414
	Carrier development	.996	1.004

Therefore there is no multicollinearity problem.

4.3.2.2 Normality Test

Normality test help to determine whether the data used is normal for the residuals, and therefore, that this assumption is met in the data for statistical tests. The approaches can rely on visual inspection or statistical tests. When visualize the fit of the normal distribution, examine the probability plot and assess how closely the data points follow the fitted distribution line. Normal distributions tend to fall closely along the straight line. As it can confirmed by visual inspection of the Normal p-p plot result from SPSS 20 our residuals seem normally distributed which means the model is free of normality problem.

Figure 4.1 Normality Test

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: EmployeeRetention
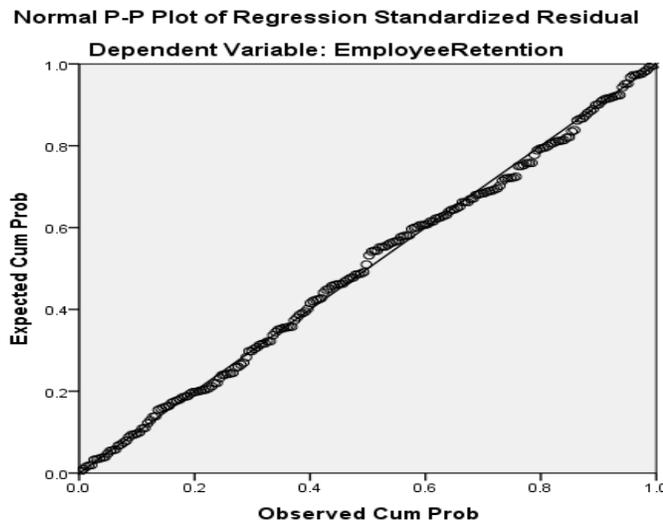
4.3.3 Multiple Regressions

Regression result of Employee development program on Employee Retention

In this study multiple regressions was employed. The basic objective of using multiple regression equation on this study is to make the study more effective at describing, understanding and predicting the stated variables. That is, in this study it was primarily used to identify the effect of employee development program on employee retention. Here, the basic assumptions of normality, no multicollinearity are tested before the regression was run.

This method is used to predict the value of a variable based on the values of two or more variables. So multiple regressions was used as one of the methods so as to measure the value of identified retention factors related to each other.

In order to identify type's employee development serve as predictors of employee retention cores, a multiple regression analysis was conducted on the employee retention. However model fitness test should be carried out before hypotheses testing by using F ratio and R square tests.

ANOVA uses the F-ratio to test the overall fit of a linear model. It is an inferential test designed to assist researchers in deciding whether they should accept or reject their model.

Table 4.12: Model summary of Employee Retention

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.729	.636	.624	.0.4253

a. Predictors: (Constant), mentoring and coaching, carrier development, Training, Job rotation

b. Dependent Variable: Employee Retention

While entering training, job rotation, carrier development, coaching and mentoring as independent variables produced a significant model at the .000 level with 4 predictor variables accounting for 63.6% of the variance in employee retention. Which means that 62.4% of the effects of employee development program on employee retention. This therefore shows that the variables under study explain 62.4% of the dependent variable and the remained 37.6 are explained by other variables.

Table 4.13: ANOVA of Employee Retention

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	74.263	4	14.853	86.593	.000[b]
1	Residual	36.189	211	.117		
	Total	110.452	215			

a. Dependent Variable: Employee Retention

b. Predictors: (Constant), mentoring and coaching, carrier development, Training, Job rotation

An ANOVA test is done to state whether the survey is significant. This method helps to figure out whether to reject or accept the Null Hypothesis. It is a method used to test the groups and identify if there is any difference between the groups. So the results indicate the model was significant at $P = 0.000$ and therefore this meets the threshold since P is less than 0.05 and it shows the probability value of 0.000, which indicates that the regression was highly significantly predicted how Training, job rotation, career development/promotion and Mentoring and Coaching, influenced employee retention .

F test used to test Ho: B1=B2=B3=B4 i.e. all Betas are zero

Ha: (Alternate Hypothesis) at least one beta is different from zero

Since F test is statistically significant (.000 is less than Alpha=0.05)

Hence, Ha is accepted. So the model fit with the collected data.

Table 4.14 Regression Result of employee development program on employee Retention

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.562	.121		4.113	.000		
Training	.371	.101	.096	3.684	.000	.906	1.107
Job rotation	.454	.130	.700	3.493	.002	.990	1.164
Mentoring and coaching	.128	.031	.170	4.172	.000	.707	1.414
Carrier development	.161	.077	.142	2.095	.037	.996	1.004

a. Dependent Variable: Employee Retention

Source: SPSS output (2021)

Evaluating of the Predictor Variables

Table 4.15 represents 4 predictors of employee retention in order of their strength of contribution to the dependent variable (ER). The results indicate that training has a statistically significant effect with employee retention (β= .096, Sig. =.000< .05). This was followed by job rotation has a statistically significant effect with ER (β= .700, Sig. =.002 < .05), C&M has also statistically significance effect with ER (β= .170, Sig. =.000p < .05), besides carrier development has a statistically significant effect with employee retention (β= .142, Sig. = .037< .05),

$$Y = 0.562 + 0.096X1 + 0.700X2 + 0.170X3 + 0.142X4$$

Then the Hypothesis:-

Ha$_1$.Training does have a statistical significant effect on employee retention in ESLSE.

Alternative hypothesis was accepted because β= .096, Sig. =.000< .05

Ha2. Job rotation does have a statistical significant effect on employee retention in ESLSE.

Alternative hypothesis was accepted because β= .700, Sig. =.002< .05

Ha$_3$. Coaching and mentoring does have a statistical significant effect on employee retention in ESLSE.

Alternative hypothesis was accepted because β= .170, Sig. =.000p < .05

Ha4. Carrier development/promotion does have a statistical significant effect on employee retention in ESLSE.

Alternative hypothesis was accepted because β= .142, Sig. = .037< .05

Discussion of the Results:-

Ha1: Training has a statistically significant effect on employee retention.

For the first hypothesis, results showed a positive and significant relationship between training and employees retention ($\beta = 0.096$, $p<0.00$); hence, Hypothesis 1 was supported. And it means a unit increase in Training results in a 0.096 times increases in retention when other factors are constant. Thus, focusing on training and providing more training programs mean more commitment and retention among employees.

Training improves present and future work skills and behavior. Organizations which provide enough work-related training and adequate resources help employees to develop their abilities to improve their performance and productivity. Since there is a direct link between job satisfaction and training, the focus of training efforts should be on employee task assignment and empowerment (Reiner and Zhao, 1999). Employees needed to be specialized in various fields to solve problems and fight different challenges more effectively (Abdulla, 2007).

Ability utilization has a strong impact on job satisfaction and work innovation. Employees desire jobs that allow them to make good use of their skills and knowledge. Vroom (1982) states that individuals gain satisfaction from jobs that require the use of their abilities, as compared to jobs in which they feel their abilities are not being used. Shipton et al. (2004) maintain that employees are most likely to contribute their knowledge and skills in order to innovate, in situations where they feel positively towards their jobs and their organizations and hence retained in the organization.

Ha2: Job rotation has a statistically significant effect on employee retention.

The study has shown that there is a statistical significant relation between job rotation and employee retention ($\beta =.700$, $p<0.02$) Based on the above results, hypotheses Ha2 is accepted. In other words, the correlation analysis a positive relationship between job rotation and employee retention. Hence, it can be suggested that job rotation within an organization alleviates employee boredom, provides job variety, and allows employees to learn new skills (Abdella, 2009). This analysis is consistent with the studies of Zahra and Covin, (1994) and Gunday et al. (2011) who confirm a positive relationship between job rotation and employee retention that disclosed job rotation as being a significant activity in the promotion of professional development and improves performance and reduces turnover. Job rotation helps for newcomers, as it introduces them to the different functions of the organization within which they are working. Utilizing job

rotation is a successful approach to make jobs more interesting, being mindful of workers' preferences, competencies and interests. Therefore, job rotation enables employees to gain experience in different stages of the business and, hence, broaden their viewpoint and as the result satisfied and retained them for a reasonable period of time.

Ha3: Coaching and mentoring has a statistical significant effect on employee retention.

The study revealed that Coaching and mentoring has a statistically positive effect on employee retention (β = 0.170, p<0.00). Hence, hypothesis Ha3 is supported.

This is in line with Journal of Applied Business and Economics (2011) that the mentoring process as a "developmental, cared, shared, helped relationship where one person invests time, knowledge and effort in order to increase and improve another person's growth, knowledge and skills" that is helpful for employee's job satisfaction and retained in the organization. And coaching enhance the performance and brings out the right potentials of the employees, it also helps the individuals and the organizations in making decisions about designing, implementing and measuring the effectiveness of the job role in the organization (Whitmore, 2010).

According a study carried out by Wolf (2011) continuous training by coaching appraisal to improve performances, brings the right potential of the employees. This can increase retention in the organizations

Ha4: Career development / promotion has a statistical significant effect with employee retention

The finding of the study pointed out that carrier development / promotion has a statistically positive effect on employee retention since β = 0.142 and p<0.037). Therefore, hypothesis Ha4 is accepted.

Meier and Hicklin (2007) concluded that the technique of lowering the turnover rate of an organization lies in the expansion of employees' responsibilities through promotion and that it can prompt the organization towards sustainable development. Competent employees can easily quite if organization does not provide career development, which can lead to high turnover in the organization (Clarke, 2009). A study by Meyer (2003), conducted to examine the mechanism involved in observed relations between Human Resource Management practice and employee commitment has shown that internal career development of employees is the best predictor of effective employee commitment which will likely enhance retention.

A study of bank sector in India has shown that Career development is more valuable for the development of the organization's values and goals and objectives in relation to their retention of employees. Thus, career development in organizations helps to develop their careers experience and reduces employee turnover rates (Sapna Bai and Mehran Bhutto 2016)

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the conclusions, possible recommendations and suggestion for further research based on the analysis and interpretation of the collected data.

5.1 Conclusion

Employees are valuable assets through which organizations cannot live without them. This is due to employees are sources for skill, experience, competency, talent which are rare and valuable to create competitive advantage. It is therefore important for organizations to institute appropriate strategic tools to satisfy, and retain skillful employees because dissatisfaction and employee turnover are costly and can negatively affect organizational effectiveness. Furthermore, Masbigiri and Nienabar (2011) outline that the inability to retain employees can lead to more expenditure, losing well skilled employees can be a great loss; the recruitment of new employees will involve spending more money and have an adverse consequence on the proceeds of continuous reality. Therefore, retaining experienced employees reduces the cost of recruiting new employees into the organization.

Kavitha and Geetha (2011) also review that most companies are not capable to retain their trained employees, as cost of inability to manage and provide them with the necessary facility after training makes organization to loss the employees. The competitors are ready to offer an attractive offer, as to attract the qualified employees. Therefore, retaining of talented, skilled and experienced employees is a big challenge in today's organizations without providing employee development as a motivator or satisfier of employees need.

Therefore, the purpose of the current study was to examine the effect of employee development program on employee retention in ESLSE. To this end, this study aimed to investigate the effect of employee development on employee retention in the case of ESLSE by taking its employees as unit of analysis.

The total population was 726 employees under head office, with target sample size of 216 Employees in Addis Ababa. Self-administered Structured questionnaires were applied to collect data based on the research objective and hypotheses. Descriptive statistics was used to analyze

data for demographic characteristics frequencies, percentages distribution tables, and the mode mean, and standard deviation. Inferential statistics analysis was carried out by using correlation, and multiple linear regression analysis. An explanatory research design and quantitative method were also suitable for this study. A questionnaire was delivered to ESLSE and 216 usable questionnaires were collected (with a response rate of 83.72%). This study used SPSS to test the research hypotheses. The measurement model has confirmed that the research measures indicated accepted reliability and validity. Based on the research results, hypotheses are accepted.

The findings of the study appear to point out that employee training, job rotation, career development/promotion, and coaching and mentoring have a statistical significant relation on employee retention in ESLSE. And the analysis showed that there were employee's retention strategies available in the organization. However, considerable no of employees of the Enterprise is still unsatisfied with the employee development programs specially in job rotation and carrier development, but better application in training and mentoring and coaching, employee mean a lot to be done in the organization even some amount will affect the organization goal so the researcher tried to conclude and recommend that the organization should understand the importance and value of EDP and needs to revise and should formulate strategies to establish employee training policy, job rotation programs, carrier development programs and mentoring and coaching programs in order to motivate and improve their employee performance and employee retention because human resource is the most important resource to any organization. Without having skilled and talented employees, it is difficult to attain planned goals by the organization. Therefore, we can say that organizational success is dependent on retention of its talented employees. Accordingly, the findings of the current study and literatures appears to conclude that effective Employee development programs can help organizations to get satisfied employees and gain ability to retain its valuable human capital.

Building upon the findings of the study the following recommendations are suggested:

5.2 Recommendations

According to the research findings, the researcher has produced the following possible recommendations. First, although employee development plays a significant role on employee retention in ESLSE, It is recommended that the Ethiopian Shipping and Logistics Service

Enterprise should regularly implement employee development programs not only the mentioned here but also other employee development programs in order to improve employee and overall organizational performance by retaining talented employees in the enterprise.

Another recommendation of the study is that employee retention is improved by implementing a necessary training program that is based on employee gap analysis and is closely matched with the enterprise goals, as outlined in this study and ESLSE should provide free Wi-Fi to get how to improve logistics index of Ethiopia, seminars, workshops, and conference in relation to sea transport, railway and shipping. And also ESLSE should assess and formulate appropriate menses-computer, e-book.

Providing peer to peer discussion every morning for half an hour, assigning new employees to experienced ones and giving special assignments to senior experts and mangers once in a year and planning and delivering retreat programs for knowledge and experience sharing.

Rotating employees per year since it is not as such much costly to the ESLSE. Rather than recruiting form external source it would be better to promote existing employees.

Being a sponsor for some employees to attend higher education in logistics and supply chain management such as AAU College of commerce to create a reliable worked environment in order to get the heart and minds of employees that leads to employee development and employee retention.

5.3 Suggestions for further research
First of all the research on Employee development program and its effect on employee retention is a very significant area due to the importance of human resources. However, not sufficient studies are carried out in this area. It is therefore important that more researchers especially those in Ethiopia require continue to explore the area empirically.

Also, this study mainly employed quantitative methods. Further researchers can conduct research by using other research approach such as in-depth interview and qualitative techniques which can provide in-depth knowledge about employee development programs besides data analysis should be carried out by using a latest analysis which is called structural equation model.

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APPENDICES
Saint Mary's University

School of Graduate Studies

Master of Business Administration (MBA)

Questionnaire Administered to Head offices employees of Ethiopian shipping and logistics service enterprise (ESLSE)

This questionnaire is designed to meet the objective of research titled:

"THE EFFECT OF EMPLOYEE DEVELOPMENT PROGRAM IN EMPLOYEE RETENTION IN ETHIOPEAN SHIPING AND LOGISTCS SERVICE ENTERPRISE" for partial fulfillment of MSC in Master of Business Administration from Sent Merry University.

Dear respondent,

I would like to assure you that your response will only be used for the intended purpose and remains Confidential. Therefore you are kindly requested to respond the questions utmost good faith, freely and to the best of your knowledge. No need to write your name.

I thank you for your participation and prompt response.

Tadelech Mehari Email: tadimehari6@gmail.com

Mobile 0902-654342

Section A: Personal Profile of Respondents.

General Instruction: Please indicate your choice by putting "√" mark in the bracket.

1. Sex/Gender/:   A) Male [   ]   B) Female [   ]

2. Age (in year):   A) 19 to 26 [   ]   B) 27 to 37 [   ]   C) 38 to 48 [   ]

                     D) 49 to 59 [   ]   E) Above 60 [   ]

3. Level of education: A) Diploma   [   ]   B) Bachelor's Degree [   ]

                           C) Master's Degree [   ]   D) others [   ]

4. Your years of experience   A) < 2 years [   ]   B) 2-5years [   ]   C) 5-10years [   ]

                     D) 11-15years [   ]   E) Over 15 years [   ]

Section B: The questionnaire items

1. Employee Development Program

The Questionnaire is prepared in Likert-scale form with five (5) point scales questions related with Employee Development Program and I ask you to tick (√) or the appropriate scale (point) that indicates your opinion in table below. The values of scales are: 5 = strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = strongly disagree.

S.N	Training	5	4	3	2	1
1	The course content is relevant to my job.					
2	Almost everything learnt can be applied at work					
3	It is difficult to practically apply what has been learnt					
4	I found that skills and knowledge can be applied in the enterprise					
5	I can coach other new employees to the area					

	Job Rotation	5	4	3	2	1
1	Transfer employees from one department to another					
2	Change employee positions in the same department					
3	I have got an opportunity to do a variety of tasks.					
4	Job rotation program of the enterprise is an excellent system to acquire new methods of work.					
5	Before job rotation, the organization seeks my consent.					
	Career Development	5	4	3	2	1
1	There is promotion and opportunity for career development provided by the enterprise.					
2	There is a clear path way for career development in the enterprise.					
3	I know where my career is going					
4	My work effort contributed to my personal growth					
5	Women and men have the same opportunities for career and development.					
	Mentoring and Coaching					
		5	4	3	2	1
1	Mentoring and coaching helps to enhance knowledge, skills and expertise from the experienced professionals as they can assist less experienced employees gear up to the speed.					
2	During work employees are given support by their mentors.					
3	My retention is influenced by staff mentorship and coaching programs that the firm has put in place.					
4	Mentors and coaches are always around when needed.					
5	We are socially connected in the workplace than					

	before.					

2. Questions related to Employee Retention

S.N	Employee Retention	5	4	3	2	1
1	Investment in on EDP is considered important factor by the organization.					
2	Opportunity for moved to higher levels within the Organization.					
3	The degree of attachment to individuals associated with the Organization such as supervisor, co-workers, or customers.					
4	The degree to which the organization is to be trustworthy and well respected					
5	Employees tend to remain with the organization when they feel their capabilities and efforts are recognized and appreciated.					
6	A good work environment enhances employee retention.					
7	There is low labour turnover in the organization					