FACTORS AFFECTING EMPLOYEE RETENTION IN ETHIOPIAN MINISTRY OF AGRICULTURE AND NATURAL RESOURCES

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Declaration

I hereby declare that this work entitled: "Factors affecting employee retention in the Ministry of Agriculture and Natural Resources", is outcome of my own effort and study and that all source of materials used for the study, to the best of my knowledge, have been duly acknowledged. I have produced it independently except the guidance and suggestion of my research advisor.

This study has not been submitted for any degree in this university or any other university. It is offered for the partial fulfillment of Degree of Masters in Human Resources Management.

Declared by: Liyu Dereje

Signature: _____

Date: _____

Letter of Certification

This is to certify that this research paper titled, "**Factors Affecting Employee retention in the Ministry of Agriculture and Natural Resources"**, has been undertaken by Liyu Dereje under my guidance and submitted in partial fulfillment to the requirements of master's degree in Human Resource Management at Addis Ababa University, School of Commerce.

Solomon Markos (PhD)   _____   _____
           Advisor   **Signature**   **Date**

Addis Ababa University School of Commerce

Postgraduate Program

This is to certify that the thesis prepared by Liyu Dereje, entitled: "**Factors affecting employee retention in the Ministry of Agriculture and Natural Resources"** and submitted in partial fulfillment of the requirements for the Degree of Masters of Human Resources Management complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

Signed by the Examining Committee:

Advisor _____ Signature _____ Date _____

Examiner _____ Signature _____ Date_____

Examiner _____ Signature _____ Date _____

Acknowledgment

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Acronyms/Abbreviations

MoANR – Ministry of Agriculture and Natural Resources

SPSS - Statistical Package for the Social Sciences

HR – Human Resource

HRM – Human Resource Management

AGTP - Agricultural Growth and Transformation Plan

CAADP - Comprehensive Africa Agriculture Development programme

GTP - Growth and Transformation Plan

MoFED – Ministry of Finance and Economic Development

SHRM - Society for Human Resource Management

HRD – Human resource and development

EIAR – Ethiopian Institute of Agricultural Research

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Abstract

The quality of service delivery of any organization depends on the presence of committed and talented employees. Employees are main sources for organizations in meeting objectives in both public and private sector organizations. Therefore, giving emphasis for employees become a big issue particularly in public sector organizations. Professional employees' turnover in public sector organizations is more common than other organizations. Having this in mind, the present study is aimed to explore the factors that are affecting employee retention focusing on MoANR.

By using single population sample size calculation formula, the researcher determined the sample size for undertaking the research which was 224. In order to collect primary data, a self-completed questionnaire was designed and administered to selected employees through simple random sampling method. Descriptive analysis was used to describe the collected data using percentage, mean, and standard deviation. A correlation analyses was undertaken to measure the degree to which the variables are related. Through the multiple linear regressions analysis, compensation and career development and succession planning were found to be the major factors that affect employee retention within the Ministry. The study suggested that an emphasis should be given to compensation policy of the Ministry which was found to be incompetent. It was also suggested that the Ministry should design and implement systems that enhance career development through, training, mentoring and coaching which leads to strategic succession planning and talent retention.

Key words*: Retention, compensation, empowerment, career development and succession planning, training and development*

Chapter One

Introduction

1.1. Background of the Study

Hiring employees is just a start to creating a strong work force. Next, you have to keep them. High employee turnover costs business owners in time and productivity (The Wall Street Journal, 2008).

An organization can't survive if its top performers quit. It needs employees who are loyal and hard workers with full dedication to achieve the organization's objective. It is essential for the management to retain its valuable employees who think in favor of the organization and contribute their level best. An employee who spends a longer duration at any organization is familiar with the rules, guidelines and policies of the organization and thus can adjust better (Management Study Guide, n.d).

People are the real assets of an organization. The existence, growth, success, development, or consistency of the company depends on its efficient people and their expertise performance. Recruiting and selecting the right candidate is important. But keeping them on the success track for a long time in the same organization is more important. That's why employer invests on training and development. But still retention is a major problem in most of the private organizations and some of the government organizations (Smrutihara, 2013).

Employee retention refers to the techniques employed by the management to help the employees stay with the organization for a longer period of time. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively (Management Study Guide, n.d). Sincere efforts must be taken to

ensure growth and learning for the employees in their current assignments and for them to enjoy their work. Retaining a positive and motivated staff is vital to an organization's success Management Study Guide (n.d). Many studies reviled that high employee turnover increases expenses also have a negative effect on company morale. Implementing an employee retention program is an effective way of making sure key workers remain employed while maintaining job performance and productivity (Taylor, 2017).

Employee retention has become a major concern for corporates in the current scenario. Individuals once being trained tend to move to other organizations for better prospects. Attractive salary, comfortable timings, better environment, growth prospects are some of the factors which prompt an employee to look for a change. Whenever a talented employee expresses his willingness to move on, it is the responsibility of the management and the human resource team to intervene immediately and find out the exact reasons leading to the decision (Ch. Anand, 2017).

Research says that most of the employees leave an organization out of frustration and constant friction with their superiors or other team members. In some cases, low salary, lack of growth prospects and motivation compel an employee to look for a change. The management must try its level best to retain those employees who are really important for the system and are known to be effective contributors. It is the responsibility of the line managers as well as the management to ensure that the employees are satisfied with their roles and responsibilities and the job is offering them a new challenge and learning every day (Shanti, 2013).

"Relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment …. retention processes should be studied along with quitting processes" (Maertz & Campion 1998) cited by Bidisha & Mukulesh, (2013).

Per Agrela, et al (2008), there is a need to focus on the factors that affects retention leading to growth and success of organizations. A study Cited by Fab. & Obinna., 2016, (Gale Group, 2006) suggests that retention strategies which effectively satisfy the needs of all employees consequently enhances the ability for companies to adapt more effectively to ongoing organizational change. Other research by Thomas (2000) and Feldman (2000) showed that modern retention strategies go beyond the traditional salary and benefits package and compensation to embracing employee motivation as one of the key factors to cater the diversity and long stay of the workforce in the organization. Retention factors incorporating the needs and desires of employees at any age enhance levels of individual job satisfaction, loyalty, and commitment (Boomer Authority, 2009).

Walker (2001) and others emphasize on the importance of supportive learning and working climate for employee retention. Cunningham (2002) states that employees rank employee recognition, flexibility and training as top priorities for prolonging individual employment. In addition, career development (Boomer Authority 2009), organizational commitment (Patrick Owens, 2006), communication Gopinath & Becker (2000), and superior – subordinate relationship (Zenger, Ulrich, &Smallwood, 2000) also affects employee's retention in the organization.

In Ethiopia, even though few studies like: study conducted on Ethiopian Roads Authority (Solomon, 2007), Techno Fiber Glass Factory (Ayselech, 2014), Ministry of Finance and Economic Development (Asmamaw, 2011), Oromia Water Works Design and Supervision Enterprise (Aman, 2015) and Ethiopian Evangelical Church Mekane Yesus (Yohannes, 2014) shows about turnover of employees, but there is no empirical studies conducted on public organizations professional employees turnover and factors that affect employee retention which were supported by formal and published research.

Therefore, the present study was conducted on the Ministry of Agriculture and Natural Resources (MoANR) because employees' turnover is a big issue in the organization. Hence, the study focused in studying factors that affect employee retention within the Ministry.

1.2. Statement of the Problem

A low level of employee turnover is acceptable in any organization, in that it offsets potential stagnancy, eliminates low performers, and encourages innovation with the entry of new blood. However, high levels of employee turnover leading to low performance and ineffectiveness in organizations, and result in a huge number of costs and negative outcomes (Ingersoll & Smith 2003). As stated by a Human Resource Specialist Amy (2016), 'employee turnover is an element of change that directly affects your bottom line. As such, it is important to identify the motives of departing workers and devise an effective retention strategy'.

Retaining a positive and motivated staff is vital to an organization's success because high employee turnover is like a flood that takes away the knowledge, skills, experiences, and abilities that could have been the source of competitive advantage for the organization. When an employee leaves her/his job, the employing organization loses not only the employee, but its customers and clients who were loyal to the employee, the employee's knowledge of production, current projects handled by the employee, and institutional knowledge of the organization. Compromising employee retention, increases expenses, and have a negative effect on the employing organization and employee morale.

Agriculture is a key driver of Ethiopia's long-term growth and food security. Agriculture directly supports 85 percent of the population, constitutes 43 percent of the Gross Domestic Product and 80 percent of export value. Nearly 16 percent of the Government of Ethiopia's public expenditures are committed to the sector. AGTP II (Agricultural Growth and Transformation Plan)

aims at bringing transformational change in agriculture and lays out an ambitious set of agricultural growth targets (between 2015 and 2020) that are to be achieved. The performance of the Ministry has a great contribution to poverty reduction, food security and growth through its potential for strong pro-poor growth linkages. However, the institutional capacity to implement GTP is generally limited (Comprehensive Africa Agriculture Development programme [CAADP], 2009; GTP, 2010).

One of the reason for the low institutional capacity in the Ministry is because of its inability to attract and retain employees especially the experienced and more qualified employees (John & others, 2015), which in turn affects its goal achievement.

Thus, the intent of this research is to study the factors that are affecting employee retention within the Ministry and primarily focuses on the issues relating to:

- Employee empowerment

- Employee training and development

- Career development and succession planning

- Employee compensation

The researcher focuses on the factors that are listed above because after reviewing different studies in the study subject, these factors were seen as major players that affect employee retention.

1.3. Research Questions

This study primarily focuses on answering the following basic/research questions:

- Does employee empowerment affect employee retention?

- Does training and development affect employee retention?

- Does career development and succession planning affect employee retention?

- Does employee compensation affect employee retention?

1.4. Objective of the Study

General objective

The general objective of this study is to identify major factors that are affecting employee retention within the Ethiopian Ministry of Agriculture and Natural Resources.

Specific objectives:

- To determine whether employee empowerment, affects employee retention within the Ministry

- To find out whether employee training and development affects employee retention within the Ministry

- To determine whether employee career development and succession planning affects employee retention within the Ministry

- To determine whether employee compensation affects employee retention with in the Ministry

1.5. Significance of the Study

Agriculture is the backbone of the Ethiopian economy. This particular sector determines the growth of all other sectors and consequently, the whole national economy. Having said this, one can understand that the MoANR carries much of the burden in being a ladder to put the Agriculture Sector in a position to underpin Ethiopia's long-term transformation.

The Government of Ethiopia came up with a five-year Growth and Transformation Plan (GTP – GTP I 2010/11 – 2014/15 and GTP II 2015/16-2019/20) in order to have a sustainable economic growth by poverty reduction and creating sustainable food security. This GTP is very

ambitious in nature that it needs a human capital that is capable enough with all the expertise, skills, diversity, and experience to implement the plan.

Governmental and public-sector organizations success can be seen through the economic growth and the quality of services they provide to their beneficiaries. This can be attained through well formulated strategies that fit with the organization's objectives, allocation of resources, assignment and retention of committed and competent workforce.

It was found through a research that many of the job positions in the MoANR remain vacant, and that in terms of staffing it becomes a challenge to realize the desired objectives of each Directorate. The Directorates are not able to entirely accomplish what they planned due to scarcity of the Human Resources both in terms of numbers and level of competency. The Ministry often managed the hiring of junior graduates, however; the experienced and more qualified employees in the professional category are the ones difficult to recruit and retain (John & others, 2015).

Hence, goal achievement is highly affected by the status of staffing. Therefore, the researcher highly anticipated that the results of this study will have the following significance.

- It will help the organization in understanding the factors that are influencing employee retention

- Provide understanding on the need for employee retention strategies

- Provide the HR Directorate with a valuable information on retention factors so as the Directorate can act accordingly in order to have the required type of workforce to implement GTP II

- It will serve as base for interested researchers on the issue in conducting future and detail study in the area.

- It also might serve as literature for future studies on the topic

- Serve as an input for policy makers and implementers though the study is academic and has no guarantee of implementation.

1.6. Scope of the Study

MoANR is a very large organization having three State Ministers and 33 Directorates, with nearly 921 employees. Thus, the researcher used selected employees to conduct the study because it is resource and time consuming moreover, difficult to reach all the employees of the Ministry. From literature, there are several factors that would affect employee retention, but as it is difficult to study all, the conceptual scope of this study dowel on employee empowerment, training and development, career development and succession planning, and employee compensation.

1.7. Definition of Terms

- **Employee retention** - An effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff (Business Dictionary). Employee retention can also be defined as the ability of holding the talented and valuable employees in the organization from leaving their job for a longer period of time than the competitors (Johnson, 2000).

- **Employee empowerment** - Employee empowerment is a management strategy that aims to give employees the tools and resources necessary to make confident decisions in the workplace without supervision. Empowerment is a long-term,

resource-intensive strategy that involves significant time and financial investment from the organization's leaders (HR Zone).

- **Training and development** - Is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge (HRWale).

- **Career development** - Is the series of activities or the on-going/lifelong process of developing one's career. Career development usually refers to managing one's career in an intra-organizational or inter-organizational scenario. It involves training on new skills, moving to higher job responsibilities, making a career change within the same organization, moving to a different organization or starting one's own business (MBASkool Business Dictionary).

- **Succession planning** - Succession planning is the continuous process of identifying, assessing and developing organizational leadership in order to enhance the overall performance. Through this process, the best individuals are recruited and constantly trained to develop their knowledge and skills so that they can assume more challenging roles as and when required (MBASkool Business Dictionary).

- **Employee compensation** - Is the monetary benefit which is given to an employee or worker giving their services to an organization. Compensation includes components like salary, wages, bonuses etc. The compensation provided helps in motivating the employees, build their career and ensure that they are committed in achieving the company goals (MBASkool Business Dictionary).

1.8. Organization of the Study

This study has five chapters. Chapter one of the study deals with the introduction, objective, significance of the study and statements of the problem; while chapter two deals with the literature review. Chapter three describes the methodology used for the achievement of the results of this research. Chapter four briefly discusses the results of the research and a descriptive presentation, analysis, and interpretation of the findings. Finally, chapter five concludes based on the findings and give some recommendations, which are thought to be important for the success of the Ministry.

Chapter Two

Literature Review

2.1 Definitions

Employee retention can be defined as the ability of holding the talented and valuable employees in the organization from leaving their job for a longer period of time than the competitors (Johnson, 2000). It also can be stated as commitment to work with particular company or organization in a continuous system (Zineldin, 2000). Other than that employee retention also can be referred to the policies or practices of a particular organization or company applies for the prevention of leaving of sacred employees. It would consider promotion of the sustaining of employees in a single company or organization for a maximum duration (Hong, Hao, Kumar, Ramendran, & Kadiresan, 2012). Organizations have to put numerous efforts to encourage employees to be dedicated, devoted and rooted in the organization or company (Kyi, 2011). The hiring of new talented employees might be one of the most important issues for the sustainability of an organization; however, retaining the valuable employees could be a much better cost saving and more effective method for the organization. It could be an issue incurrent which plenty of the employers had neglect the costs involved with the leaving or turnover of the main key employees (Ahlrichs, 2000). The high intrinsic cost of hiring new staff including cost of training had driven the increasing value of talented employees as the scarce resources of an organization or company.

Dictionary of Human resource and Personal Management has also defined employee retention as the process of keeping employees on the staff, and not losing them to rival firms. Retention is also a voluntary move by an organization to create an environment which engages

employees for long term. According to Chaminade (2007), this attachment relationship should be durable and constant and link the employee to the organization by common values and by the way in which the organization responds to the needs of the employees. Retention helps to prevent the loss of competent employees from the organization, which may affect productivity and efficiency in service delivery. Retention also allows senior and line mangers to attract and effectively retain critical skills and high performing employees. This is achieved by providing these managers with information on retention and retention strategies that fit with the organization's strategy ensuring that the goals and objectives of the organization are realized.

Creating a retention strategy means placing the employees' needs and expectations at the center of the organization's long-term agenda in order to ensure the professional satisfaction of the employee and create a trusted relationship. In this stable relationship, the employee remains in the organization by personal choice based on free will and considered decision. Talented and high performing employees should be encouraged to remain in the organization by designing retention policies that will provide individual employees with opportunities to demonstrate their skills and ensure that they are matched with the right jobs. Such retention policies should, in the view of Nyoka (2006) also include strategies that will enable employees to balance their work life demand with their family life by establishing family friendly policies and enabling flexible work arrangements to accommodate essential personal commitments. With such effective retention policies in place, managers are able to keep the employee turnover at a manageable rate.

Assmamaw (2011), concluded that, with the growing need to public sector organizations in Ethiopia to improve on service delivery, and to be able to do this effectively, managers in public sector organizations must device a means of retaining key employees whose expertise is critical.

According to the study one means of achieving this is to motivate these employees through comprehensive and proactive retention program.

Eventually one should also see the definition of employee turnover which occurs when employee leave their jobs and must be replaced. The Chartered Institute of Personnel and Development (2007) defines employee turnover as the "ratio comparison of the number of employees an organization must replace in a given time period to the average number of total employees". In their own definition, Abassi & Hollman (2000) define turnover as the "rotation of employees around the labor market; between firms, jobs and occupations; and between the states of employment and unemployment".

2.2 Why Employee Retention?

Studies have found that one-quarter of organizations' workforce is at high risk of turnover and 70% of them feel that they need to leave to advance their careers. A lack of opportunities to grow can't be solved through raises or through distracted talks with the line manager once in a while. The very foundation of employee satisfaction and engagement should ensure that the work environment is very conducive to learning and the benefits should make employees feel cherished and valued (HR Soft, 2017).

First and foremost, HR departments and line managers need to recognize the importance of employee retention. Not to mention the fact that replacing a single employee can cost anywhere between 20% and 200% of his or her annual salary (HR Soft, 2017).

Employee retention strategies increases employees' morale. Employees that enjoy what they do and the atmosphere in which they work are more likely to remain employed with their company. Retention strategies are important because they help create a positive work environment and strengthen an employee's commitment to the organization.

Employers implement retention strategies to manage employee turnover and attract quality employees into the organization. Retention programs focus on the relationship between management and their workers. Competitive pay, benefits, employee recognition and employee assistance programs are all part of a company's attempt to maintain employee satisfaction. Human resources specialists utilize feedback they receive from exit interviews and focus groups to improve employee relations and reduce turnover (HR Soft, 2017).

2.3 Benefits of Employee Retention

- **Maintain Performance and Productivity**

Employee retention practices help support an organization's productivity. Recruiting and training new employees takes time. An unfilled position means work is not getting done. Even if a position is filled, there is still a learning curve most employees must overcome before their work becomes profitable. Taking the necessary steps to keep current workers satisfied with their roles will ensure productivity is not interrupted (Mita, Aarti, & Ravneeta 2014).

- **Enhances Recruitment**

Effective retention strategies often begin during the employee recruitment process. Employees are more inclined to remain with a company that fulfills the promises made when their employment offer was extended. Companies that provide a realistic view of their corporate environment, advancement opportunities and job expectations to new hires can positively influence employee retention.

- **Increases Morale**

Employees that enjoy what they do and the atmosphere in which they work are more likely to remain employed with their company. Retention strategies are important because they help create a positive work environment and strengthen an employee's commitment to the

organization. Strategies that target employee engagement, such as team-builders and community involvement, increase company morale and give employees a sense of pride in what they do (HR Soft, 2017).

- **Saves invested time and money**

A new employee is completely raw and the management really has to work hard to train him for his overall development. It is a complete wastage of time and money when an individual leaves an organization all of a sudden. The HR has to start the recruitment process all over again for the same vacancy; a mere duplication of work. Finding a right employee for an organization is a tedious job and all efforts simply go waste when the employee leaves.

- **Prevents organizations from losing employees for competitors**

In such cases, employees tend to take all the strategies, policies from the current organization to the new one. Individuals take all the important data, information and statistics to their new organization and in some cases even leak the secrets of the previous organization. To avoid such cases, it is essential that the new employee is made to sign a document which stops him from passing on any information even if he leaves the organization. Strict policy should be made which prevents the employees to join the competitors. This is an effective way to retain the employees.

- **Gain employee loyalty**

They enjoy all kinds of benefits from the organization and as a result are more attached to it. They hardly badmouth their organization and always think in favor of the management. For them the organization comes first and all other things later.

The management must understand the difference between a valuable employee and an employee who doesn't contribute much to the organization. Sincere efforts must be made to

encourage the employees so that they stay happy in the current organization and do not look for a change.

2.4 Overcoming consequences of employee turnover through retention

High turnover represents a considerable burden on human resource and line managers. Who constantly have to recruit and retain new employees.

High attrition rate or employee turnover is a great loss towards any organization. It's true because a company invest a lot on employee with the expectation of some return. So, if the employee leaves the organization in the early stage or middle stage then the loss can't be fulfilled. Some good organizations are not even ready to leave their employees at their last stage of their professional career (after retirement). Organization keeps them in the advisory board with less work pressure (Smrutihara, 2013).

Studies have said much about how employee turnover hampers the working environment of the organization. The dissatisfaction among employees may cause turnover. But high attrition rate discourages the remaining employees to continue in the same organization. Unknowingly employee turnover creates gap in between the employer & the remaining employees.

Misunderstanding & misbelieve will be developed among them. At the same time, it distracts the talent from the market and can create a black spot on company's brand image. All these reasons either directly or indirectly bear some investment for the failure of the organization. Many organizations ignore it or respond it when it is getting out of hand. It's the biggest reason for increasing employee turnover and unsuccessful retention. (Smrutihara, 2013) have put down some of the investment cost on people in the organization, those are…. 1. Induction, Orientation and training cost 2. Craft cost & production cost 3. Time investment in the early stage 4. Performance appraisal cost, welfare cost like other HR cost 5. Exit cost.

Schultz (2006) concluded that employee turnover is costly for an organization because, every time an employee quits, a replacement must be recruited, retained, and time spent for an on the job training. Phillips and Connell (2003) put that costs of turnover include, recruiting costs, selection costs, orientation costs, training costs, lost wages/salaries, administrative costs, lost productivity, loss of human capital, and customer satisfaction issues.

There are direct and indirect costs associated with turnover which includes the cost of advertisement, vacancy costs-which are a temporary loss of productivity occasioned by the voluntary withdrawal of an employee. Apart from these costs, there are also indirect costs which include loss of good will and lost sales. It is important for an organization to investigate the reasons behind employee turnover especially those that are high performers. One means of doing this is through "exit interview" which is an additional cost for the organization.

According to a study by Assmamaw (2011) on MoFED, productivity loss is 75% of the new employee's full salary. For example, if a new employee is hired and placed on a monthly salary of Birr 20,000.00; the organization will be losing the sum of Birr 15,000.00 as productivity loss every month because the new employee is not adding full value to the organization yet. Given the high costs of turnover and its negative impact on an organizations' performance, a well-thought-out program should be designed to retain the best employees in place by managers in order to reduce unnecessary turnover.

It is imperative for organizations through the employment process, to attract quality employees to the organization. However, it is more important for managers to decide strategies with which to retain these talented employees in their organizations in order for employers to benefit from the investment already made in them. Employee retention is one of the most critical issues facing organizational managers as a result of shortage of skilled manpower, economic

growth and high employee turnover. Phillips & Connell (2003) state that employee retention involves being sensitive to employees' needs and demonstrating the various strategies in meeting those needs. These strategies, according to Czakan (2005) include career growth and development, competitive compensation benefits, opportunities for training and supportive management.

Apart from the strategies mentioned above, employers should use a flexible approach to encourage retention and this approach should consider a number of value-adding components. Such components, Brown (2006) contends include mentoring/coaching, opportunities for skill and career development, as well as flexibility around the frequency and size of performance rewards and incentives. The whole process of retention is to ensure that employees are retained in the organization, especially employees with valued or needed skills or experience in a scarce/critical field (where recruitment is difficult) competitive advantage. Turnover is a costly expense and huge concern to employers and must be avoided.

2.5 Factors affecting employee retention
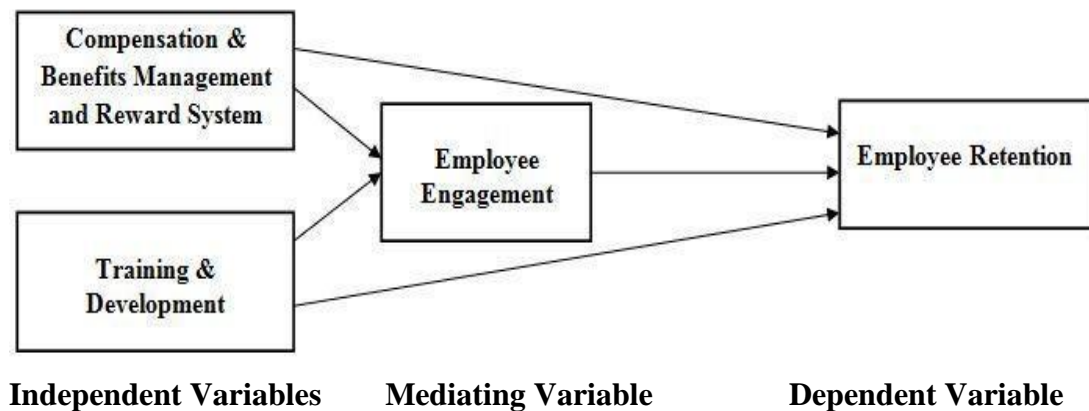
Figure 2.1 HRM Practices and Employee Retention

Source: Tangthong,S., Trimetsoontorn, J.,& Rojniruntikul, N. (2014)

In the above model (Figure 2.1), it shows that HRM practices included reimbursement, benefits management and reward system and training and development are the independent variables, employee engagement is the observed variables while employee retention as the dependent variables (Tangthong, Trimetsoontorn, & Rojniruntikul, 2014).

In this model, it stated that employee retention is affected by compensation and reward system; compensation could be a tool for organizations to assist in retains one of the most valuable assets which are their employees (Tangthong, Trimetsoontorn, & Rojniruntikul, 2014). It also propounds that training and development need to be conducted parallel with compensation and reward system which could obtain a better effect on retaining of employees.

According to Ng'ethe, Iravo, & Namusonge, (2012), retention of employees is concerned by the employers due to the increasing of employee turnover intention. The article also claims that the area which will affect retention of employees such as career opportunity, work environment, family and flex time (Figure 2.2). The researcher argues that the intention of employees to stay within an organization could be affected by three major sets of variables which are employee particulars, including gender and age; the current job's nature of an employee; and adequate working arrangements such as promotion opportunities, training availability, and communication quality within the organization. These findings reveal that the variables are consisted of intrinsic and extrinsic factors. Intrinsic factors are included leadership, distributive justice, remuneration and working environment while extrinsic factors consist of promotional chances, training and development, independence and acknowledgement will directly affect employee retention (Ng'ethe, Iravo, & Namusonge, 2012).
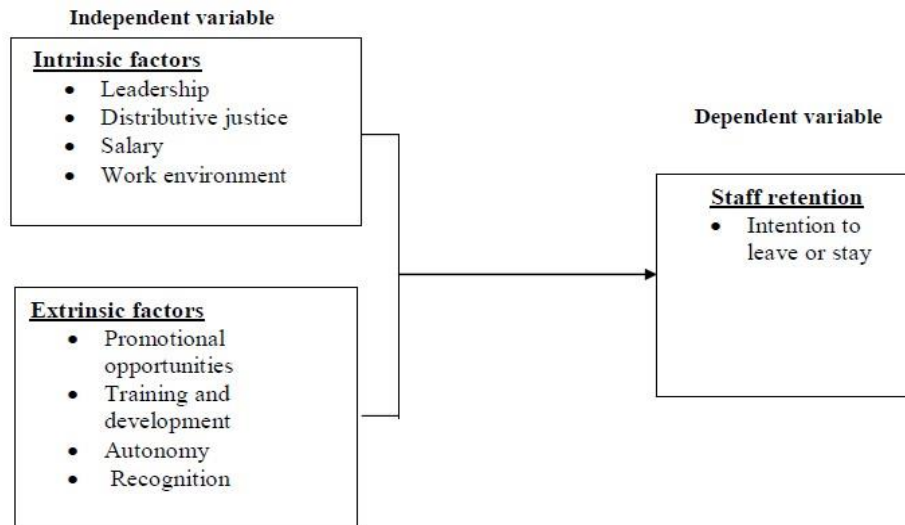
Figure 2. 2 Determinants of academic staff retention in Public universities in Kenya

Source: Ngʿethe,J.M.,Iravo,M.E.,& Namusonge, G.S.(2012).

Despite the vast literature on employee turnover, which is aimed at identifying factors that cause employees to quite Griffeth, Hom, & Campion (cited by Ruchi, 2012), much less is known about the factors that compel employees to stay. As noted by Maertz& Campion (1998), relatively less turnover research has focused specifically on how an employee decides to remain with and organization and what determines this attachment …. retention processes should be studied along with quitting processes".

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

Table 2. 1 Description and definition of retention factors

No.	Retention factor	Definition
1	**Job satisfaction**	The degree to which individuals like their jobs
2	**Extrinsic rewards**	The amount of pay, benefits, or equivalents distributed in return for service
3	**Institutional attachments**	The degree of attachment to individuals associated with the organization such as supervisor, co-workers, or customers
4	**Organizational commitment**	The degree of which individual's perceived to the reputable and well-regarded
5	**Organizational prestige**	The degree of which organization is perceived to be reputable and well – regarded
6	**Lack of alternatives**	Beliefs about the unavailability of jobs outside of the organization
7	**Investment**	Perception about the length of service to the organization
8	**Advancement opportunities**	The amount of potential for movement to higher levels within the organization
9	**Location**	The proximity of the workplace relative to one's home
10	**Organizational justice**	Perceptions about the fairness of reward allocations, policies and procedures, and interpersonal treatment
11	**Flexible work arrangement**	The nature of the work schedule or hours
12	**Non-work influences**	The existence of responsibility and commitments outside of the organization

Source: Hauskneht (2008) Description and definition of retention factors

Retention Factors for all Employees Agrela, et al (2008) states the need to focus on the factors that affects retention leading to growth and success of organizations. Studies suggests that retention strategies, which effectively satisfy the needs of all employees consequently enhances the ability for companies to adapt more effectively to ongoing organizational change Gale Group, 2006 (Cited by Fab. & Obinna., 2016). Research shows that trends redefining modern retention strategies go beyond the traditional salary and benefits package and compensation (Feldman, 2000) embracing employee motivation (Thomas, 2000), as one of the key factors to cater to the diversity and long stay of the workforce in the organization. Retention factors incorporating the needs and desires of employees at any age enhance levels of individual job satisfaction, loyalty, and commitment (Boomer Authority, 2009).

Cunningham (2002) states that employees rank employee recognition, flexibility and training as top priorities for prolonging individual employment, while Walker (2001) and others call for establishing a supportive learning and working climate for employee retention. Further, career development (Boomer Authority 2009), organizational commitment (Patrick Owens, 2006), communication (Gopinath & Becker, 2000) and superior-subordinate relationship (Zenger, Ulrich, Smallwood, 2000) are also the factors known for prolonged stay of the employees in the organization

Walker (2001) identified seven factors that can enhance employee retention: (i) compensation and appreciation of the performed work, (ii) provision of challenging work, (iii) chances to be promoted and to learn, (iv) invitational atmosphere within the organization, (v) positive relations with colleagues, (vi) a healthy balance between the professional and personal life, and (viii) good communications. Together, these suggest a set of workplace norms and practices that might be taken as inviting employee engagement. Kehr (2004) divided the retention

factors into three variables: power, achievement and affiliation. Dominance and social control represents power.

When personal performance exceeds the set standards, it represents achievement and affiliation refers to social relationships which are established and intensified. Hytter (2007) found that factors such as personal premises of loyalty, trust, commitment, and identification and attachment with the organization have a direct influence on employee retention. She also explained that workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions, and the balance between professional and personal life have an indirect influence. Pritchard (2007) was of the opinion that training and development is one of the important retention programs incorporated in an effort to retain their employees. Eva Kyndt, Filip Dochy et' al., (2009) have found in their study, while investigating employee retention that personal factors such as level of education, seniority, self-perceived leadership skills, and learning attitude and organizational factors such as appreciation and stimulation, and pressure of work are of great relevance in employee retention.

-       **Employee empowerment**

Generally, empowerment is delegating the power of decision and action to the employees and giving more responsibility and authority to complete their task (Dr. Yasar F. Jarrar & Mohamed Zairi, 2010). It means that employees have sufficient authority to determine how they perform their tasks. In a broader view, empowerment includes involvement of employee in goal-setting, decision-making and motivational techniques and enabling employees to work in a participative environment (Osborne, 2002). Empowerment involves employees taking the initiative to respond autonomously to job related challenges with the encouragement and support of management (Raub & Robert 2010; Hakan & Jamel, 2012).

Undeniably, empowered employees are identified as powerful drive in organization's success (Kaye & Jordan-Evans, 2001). It is because they are more motivated and committed to organizational operation. According to Hummayoun Naeem and Muhammad Iqbal Saif (2010), employee empowerment can create sense of belongingness and ownership towards the current organization. They tend to be more confident and perform well. Indirectly, it will increase service quality and customer satisfaction.

Some studies have identified that job dissatisfaction (Moore, 2002) and low level of empowerment (Boundrias et al., 2009) may lead to turnover (Salman, Iqbal and Chandran, 2010). Empowered employees tend to be more confident and try to give their best to employer because they are given more authority in decision-making process (Hummayoun Naeem and Muhammad Iqbal Saif, 2010). Employee empowerment can create a feeling of obligation among employees to stay in organization. Hence, the employees will tend to remain in the organization even when face pressure from others that intend to leave the organization because they feel that they are a part of the organization (Choong, Wong and Lau, 2011).

Structural and psychological empowerment create a process of orienting and enabling individuals to think, behave and take action in an autonomous way (Menon, 2001 cited in Hong & Yang 2009). They help the workers to own their work and take responsibility for their results. Due to technological up-gradation and automation, organizations are dependent on a high degree of creativity and learning attitude of employees which will require individual responsibility and risk-taking effort (Kanchana & Panchanatham, 2012). According to Chen, Kirkman, Kanfer, Allen & Rosen, (2007), the performance outcomes of empowerment practices are higher productivity, and proactive and superior customer service; while the attitudinal outcomes comprise of job satisfaction, organizational commitment, team commitment, and individual commitment.

Although empowerment has several outcomes as mentioned above, organizational commitment is the major outcome necessary for organizational development. Committed employees are proactive, productive, innovative, satisfied with their jobs and offer superior customer services. Moreover, a committed employee is psychologically attached to his job and is less likely to leave the organization, takes pride in belonging to the organization and makes greater contribution for the success of the organization. Therefore, the human resource department in public organizations needs to focus on developing employee competencies and influencing employee behavior in such a way that employees are satisfied as well as organizational goals being accomplished.

- **Training and development**

In the present ever changing world, current knowledge is basically inadequate to meet up with the dynamic and technical business world. It is therefore a major priority of organizations to acquire skills in accordance with the changing technologies. For this reason, most companies take proactive measures for maintaining a reservoir of high technology staff, by continuous training and retraining of their staff. Training per chew (2004), provides employees with specific skills or correct deficiencies in their performance, while development is an effort to provide employees with abilities the organization will need in the future.

Barringer (2005), made a comparison of rapid- growth and slow growth firms, he found out that rapid-growth firms used training of staff to achieve their objectives and put more emphasis on development of staff to a significantly greater extent than their slow-growth counterparts. These contributions by authors show that training is positively related to job satisfaction and staff retention.

Staff that are not trained stand no chance of being promoted and so has a future that is bleak, this makes some employees look for alternative job where their training is guaranteed. According to Samuel and Chipunza (2008), employees consider training, education and development as crucial to their overall career growth and goal attainment and will be motivated to remain and build a career path in an organization that offers such opportunity. Besides, if staff training is funded by the organization, the employee may develop a moral obligation to give its money worth to the organization by commitment to stay on the job.

Samganakkan (2010), identified how the human resource management practices such as training and appraisal effect the employee, their intention to stay and their motivation. According to his research training is an important determinant of employee motivation and retention.

Training is a key retention factor at any age and it is a critical factor for personal (behavioral) and professional (technical) development (United States Department of Labor, 2009). Eisen (2005) states that training programs available to all employees correlate with a 70% increase in employee retention rates. Per Agrela (2008), training benefits correlate with higher levels of consistency, competency, productivity, adaptability, interdependence, and loyalty in employees at any age. Per Deery's conclusion (2008), training and development practices improve employee retention and commitment.

Training and development programs can increase retention when they meet the needs of the employees (Montgomery, 2006). Meeting employee needs through training programs occur when the information provided is perceived as useful, applicable and desirable by them. He further suggests that the keys to employee retention are skills development, competence of management, and rewards both psychological and financial. Organizations need to pay serious attention for their investment in training and development if they want to retain their key employees. A successful

retention strategy must include training (Roberts and Outley, 2002). Training helps to create an urge among the employee to stay in the organization for a longer period. Professional training and career development programs should be an essential part of the organization policies. The organizations should encourage employees to participate in training programs.

- **Career development and succession planning**

It is about helping employees to become change resilient, more secure in themselves and their future as the organization adjusts to changing market situations. It is about increasing employability that broadens the range of potential job roles open to the individual and extends the value of their staying with this employer. When employees feel more secure about managing their own careers, they cooperate and contribute better to the needs of their work unit. Career planning undertaken by employees is the management of surprise, i.e. their readiness to adjust to often rapid and unexpected organizational circumstances. Educating employees in career development can serve as the foundation of change management initiatives.

Per Zorlu (2009), organizations are responsible for providing lifelong learning (from recruitment to retirement) for their employees. Learning and development should not be restricted only to skills, competencies or knowledge; it should also cover career development. Career development is one of the key points in attracting and retaining employees, it is therefore significant to both employees, in terms of their individual progressions and also to the organization in terms of reaching a vital resource for competitive advantage.

According to Latukha (2011), retention is driven by several key factors, which ought to be managed congruently: organizational culture, strategy, pay and benefits philosophy and career development systems.

Career development as a human resource package aided the workers to be resistant, had confidence in themselves as the company adjusted to varying economic conditions. Career development enabled the workers to be marketable and also widened the variety of possible opportunities available to the worker which prolonged their stay with the organization (Six Figures International Pty Ltd, 2008). A study by Winterton (2011) has also stated that employees tended to stay when the work environment was favorable given the available opportunities for their career advancement.

Armstrong (2003) refers to succession planning as a process whereby an organization ensures that employees are recruited and constantly developed to fill each key role within the company. According to Armstrong (2012) succession planning is a process of identifying successors for key posts and then planning career moves and /or development activities for the potential successors thus career management is complementary to management of succession planning.

Employees are the greatest organizational assets who wants to know the kind of future that they will have in the company. Thus, it should be made sure that the supervisor's team leads meet the employees and discuss their professional goals. As a part of this exercise they should also make sure that they help the employees achieve those goals by providing them with the necessary inputs and the required training and development needs. This will enable the organization to retain its best talent, (Mita, Aarti, & Ravneeta, 2014).

An important point brought forth by the Society for Human Resource Management (SHRM) is that succession planning is about preparation and not pre-selection (Klein & Salk, 2013). According to Rothwell (2005), succession planning form part of HR planning which is

concerned with staffing and have a direct impact on reducing staff turnover or better still enhancing employee retention. True retention strategy involves identifying top talent and creating attractive career paths to retain these employees (Parry & Rob, 2006). It has therefore become necessary for organizations to project their internal workforce changes, ascertain potential backup candidates, keep track of attrition (resignation, retirements, etc.) and retain the very best of their employees.

Rosemary (2002) also acknowledged in her study that a successful succession planning strategy affects employees' decision to leave or stay in an organization significantly. Though there is little study looking at the influence of succession planning on employee retention, available one's points to the fact that the presence of succession planning programs in organizations have a significant impact on employee retention (Eshiteti et' al., 2013; Jiang & Klein, 2002; Sullivan, 2008), in support of this, the findings of a study by Tuje (2014) has revealed that there is a -positive relationship between succession planning practices and employee retention.

- **Compensation**

Samganakkan (2010) identified that compensation should be such which force the employees to stay in the organization as retention is an important matter for the organizations effectiveness. The company to become a good employer and also to succeed it is important that they keep their turnover rate low and for this purpose he identified that compensation is one of the important things to keep employees motivated and retain.

A study by Umair (2015) has revealed that employee compensation plays very important role for job satisfaction, commitment and employee retention. It also influences external competitiveness and internal equity to predict employee's productivity which has measured by their pay fairness structure and it must be both cost efficient and effective. According to Lia (2011),

compensation has been used as an internal factor to retain and external tool to attract the best employees, and is used to satisfy, motivate, retain and reward the employee (hr-guide, 2011).

Umair (2015) has also noted that compensation in term of pay act as a reward which demonstrates accomplishment for an individual and helps him/her to satisfy their necessities, these acknowledgements might be on performance, full participation, year-end or merit reward. In the subject of human resource rewards are divided into two group according to their nature. First is extrinsic rewards which include all the tangible plunders like pay, fringe benefits, job security, promotion, bonus, certificate of gratitude. The second is intrinsic rewards, it uses to encourage sense of achievement, recognition, and praise from supervisor, work identity, and respect (Ozuku 2012).

2.6   Proposed Theoretical/ Conceptual Framework

In an Ethiopian context, findings of a study by Assmamaw (2011) shows that employees' age group, increase in level of qualification, the management of the organization not being committed to provide to employees' needs, not having performance based assignment of positions, not having attractive terminal and pension benefits, not putting clear path for career advancement, staying in the organization just because not having other alternative, mismatch between positions and skill and knowledge, lack of formal employee representative, poor interpersonal relation of the organization, not having sense of belongingness to the organization, and not having a properly laid down disciplinary measures of the organization were found to be the major factors that affected employees retention.

Apart from the above study, the findings of the few studies that have been undertaken in Ethiopia only discuss about turnover and its impact on organizations productivity/ performance

but does not show the factors that affect employee retention or recommend the need for employee retention strategies. For example, the findings of the study by Solomon (2007) states that lack of proper orientation, low salary and benefit package, poor staff training and development, and mismatch between the person and organization were some of the reasons for employee's departure from ERA but the study did not show the need for employee retention and did not recommend on how the organization could retain its employees. Same is true for a study made by Aman (2015) which put better salary at external market, favorable government policy which encourages professionals to organize themselves and work for their own business and lack of good treatment for workers as a reason for employee's turnover at Oromia Water Works Design and Supervision Enterprise but the study did not recommend on how to retain the employees.

These and few other studies like: study conducted on Techno Fiber Glass Factory (Ayselech, 2014), and Ethiopian Evangelical Church Mekane Yesus (Yohannes, 2014) shows about turnover of employees and the need for employee retention, but there are no empirical studies conducted on public organizations professional employee's turnover and factors that affect employee retention which were supported by formal and published research.

Though human resource management is vital in achieving corporate objectives and vision, it is misunderstood in most of public organizations. The studies conducted on the issue also usually focus only on promotion, satisfaction, etc. However, it is more significant in organizations like MoANR where its operation has a very high impact on the national economy and food security and requires human capital that is capable to carry this burden. Therefore, the present study is done on MoANR because of employees' turnover is a big issue in the Ministry. Hence, this study identified the factors that affect employee retention within the Ministry. This will help in

developing appropriate policy and retention strategy at country level in general and at public organizational level in particular. It can also fill the literature gaps that have been mentioned above.

The above literature has shown that employee retention is affected by numerous factors. But for the purpose of this study, the researcher has chosen to focus on employee empowerment, training and development, career development and succession planning, and employee compensation based on the conceptual framework adopted by Ng'ethe,J.M.,Iravo,M.E.,& Namusonge, G.S.(2012) .

Factors affecting employee retention in the Ministry of Agriculture and Natural Resources
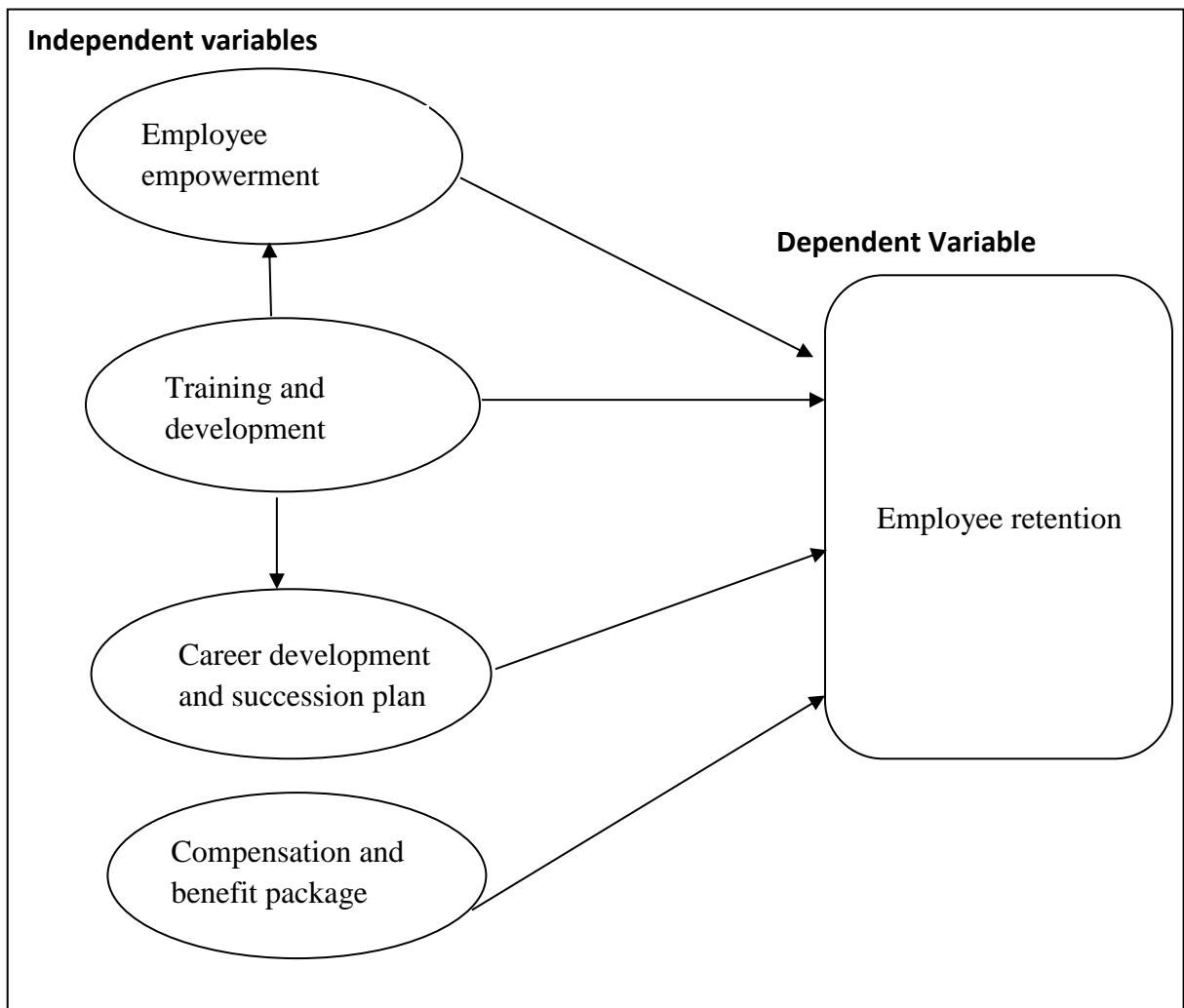
Figure 2.3 Proposed conceptual framework

Chapter Three

Research Methodology

3.1 Research Design and Approach

The research design refers to the overall strategy that a researcher chooses to integrate the different components of the study in a coherent and logical way, thereby, ensuring that the research will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data (De Vaus, 2006). The researcher has used a descriptive research design to undertake this research because, descriptive research design help provide answer to the questions of who, what, when, where and how associated with the given research problem.

Quantitative method (approach) has been used for conducting the research. This method was administered through cross sectional study by gathering data using questionnaires. It is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics.

3.2 Data types and Sources

Primary data sources were used to find all the supporting materials for conducting the study. Primary data were collected from sources using questionnaires by the researcher. Using primary data gives the benefit of revealing much-needed information. Though it is a lengthy process, it does provide first-hand information.

On the other hand, the researcher used supplementary data from relevant information sources that are already available on the Ministry's websites, organization's records, different researches on the Ministry and archives.

To collect the necessary and relevant information and data for the research, selected staff members of the Ministry were contacted.

3.3 Instrument Design/ Measurement

Measurement instrument refers to various methods through which a researcher obtains data from respondents for this research work. The term data refers to all forms of information that researchers obtain from the participant of the study. Adedokun (2003)

To conduct this research the researcher used systematically designed questioners to address the four factors that are affecting retention in the Ministry.

The questionnaire for this study consisted of total 31 questions that were developed based on four independent variables and one dependent variable. The questionnaire had two sections in it, the first section consists of age, gender, marital status, educational level, length of employment, and length of service in current position. Whereas the second section included the target questions for the main independent and dependent variables. The questionnaire was formatted in a simple and easy to answer manner with a Likert scale of five in which the response rate could be increased as: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

Table 3.1: Measurement sources

Variables	Source	Scale
Empowerment	- Paula M. Short, James S. (1992)	Five point Likert Scale (Strongly Disagree – Strongly Agree)
Training and Development	- Ameeq & Hanif (2013) - Sinha & Sinha (2012) - Demo, Neiva, Nunes, & Rozzett (2012)	Five point Likert Scale (Strongly Disagree – Strongly Agree)
Career development and Succession Planning	- Broadbridge(2007), - Day & Harisson (2007) - Demo, Neiva, Nunes, & Rozzett (2012)	Five point Likert Scale (Strongly Disagree – Strongly Agree)
Compensation	- Minjoon, Shaohan, & Hojung (2006) - Demo, Neiva, Nunes, & Rozzett (2012)	Five point Likert Scale (Strongly Disagree – Strongly Agree)
Retention	- Minjoon, Shaohan, & Hojung (2006 - Baruch & Peiperl (2000) - Akter (2012)	Five point Likert Scale (Strongly Disagree – Strongly Agree)

3.4 Study Population and Sample Design

This study used a cross-sectional quantitative method by distributing questionnaires to selected respondents.

The source population for this study was all employees of the Ministry. All employees, except the Minister and State Ministers were included in the quantitative study. Random sampling was employed, since it is not possible to collect data from all its employees because of time, resource, and access to employees. First by using the list of all employees, the researcher selected employees at expert level (employees with PhD, MSC/MA, and BSC/BA) to be taken as a study population since the Ministry is facing a problem of employee turnover at expert level per the research in the literature.

The researcher used a single population sample size calculation formula to determine the sample size for undertaking the research.

For determining the sample size, the researcher followed the following steps:

Sample size = $\dfrac{Z_{1-\alpha/2}^{2}\,P\,(1-P)}{d^{2}}$

Where:

- $Z_{1-\alpha/2}^{2}$ is standard normal variate (at 5% type 1 error (p<0.05) it is 1.96. P values are considered significant below 0.05 hence 1.96 is used in formula
- P = proportion of retention in the study population
- d = Absolute error of precision

For this study, 'P' is taken as 50% since it was not possible to find the prevalence of retention from previous studies. Whereas, 'd' is taken as a 0.05 margin of error since it is a recommended margin of error for a 50% P.

$$\frac{1.96^2 \times 0.5 \, (1 - 0.5)}{0.05^2} = \frac{3.8416 \times 0.25}{0.0025}$$

Sample size =

$$= \frac{0.9604}{0.0025} = 384.16 = \mathbf{384}$$

Here, since the total population size is < 10000, the researcher will need to use a population correction formula to reach a workable number of sample size.

$$n_c = \frac{n}{1 + (n/N)}$$

Where: n_c = Corrected sample size

N = Source population

n = Sample size

437 = number of expert level employees

$$n_c = \frac{384}{1 + (384/437)} = \mathbf{204}$$

The researcher has added a non-response rate of 10% = 204 x 10% = 20.4

Total sample size = 204 + 20 = **224**

3.5 Data collection methods

For the collection of the desired information primary data were used. Primary data was gathered through structured questionnaires. The questionnaires were designed in a standardized

and simple format arranged in a logical sequence, which is, starting from easy to difficult. In order to get appropriate answer, the respondents were told about the benefits of the study.

Desk review of unpublished documents and records of the Ministry, information from journals and books were used because those resources consist of important and reliable information, which provide a better understanding of the issue under review. This will also assist the collection of the primary data.

3.6 Data analysis and presentation

The data went through the process of checking, editing and coding to ensure the accuracy, consistency, and quality of data. Analysis was done using SPSS version 20 Statistical software. Errors related to inconsistency and data were checked and corrected. Descriptive statistics including percentages, ratios, frequency distribution, means, standard deviations and appropriate graphic presentations were used for describing data. In order to get the overall mean score for each variable, the researcher summed up the individual item score from the Likert Scale, and thus the minimum and maximum for empowerment was between 7 - 40, whereas for training and development it was found to be between 6 − 30. For both career development and succession planning and compensation, the minimum and the maximum were found to be between 5 - 25 and for employee retention it was between 8 - 40.

Pearson Coefficient of Correlation was used as a measure of finding correlation between the independent and dependent variables. Higher correlation coefficient signifies a stronger relationship. If a correlation is between 0.1 and 0.3 (ignoring the sign), the association is small/low. If a correlation is between 0.3 and 0.5, the association is medium (moderate), and if a correlation is 0.5 or greater, the association is large (high), Colin & Paul, 2012). Linear Regression model was also conducted in this study to predict the value of dependent variable

(employee retention) based on the value of independent variables (empowerment, training and development, career development and succession planning, and compensation).

The researcher recoded the selected HR practices (independent variables) and retention (dependent variable) for a linear regression analysis to determine factors affecting employee retention within the Ministry. $P<0.05$ was taken as statistically significant.

3.7 Validity and Reliability

3.7.1 Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004).

In this research content, the researcher has used questionnaire that its validity and reliability was checked and modified according to literatures within the specific topic and the objective of the research. Approval from advisor and consultations from other HR professionals were applied in order to increase the content validity.

3.7.2 Reliability

Reliability refers to the extent to which the measurement procedure will yield consistent findings. To ensure the reliability of the instrument in this study, the researcher has tested the reliability using Cronbach's Alpha (α). Cronbach's Coefficient (α) is calculated to estimate the internal consistency of reliability of a measurement scale. Cronbach's alpha coefficients should fall within a range of 0.70 to 1.00 (Sun and others, 2007).

As it can be seen in the table below, the result indicated that the measures were internally consistent by 0.87 for empowerment dimension, 0.85 for training and development dimension, 0.70 for career development and succession planning dimension, 0.9 for compensation dimension, and 0.70 for retention dimension.

Table 3.1: Reliability statistics for dimensions

Dimensions	Cronbach's Alpha	Number of items
Empowerment	0.87	7
Training and Development	0.85	6
Career development and Succession Planning	0.70	5
Compensation	0.90	5
Retention	0.70	8

Source: Own questionnaire 2017

In general, as it can be seen in the table below, the result indicated that the measures were internally consistent by 0.908.

Table 3.3: Reliability statistics

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.908	.910	31

Source: Own questionnaire 2017

3.8 Ethical Considerations

Confidentiality – the respondents were assured that their response will remain confidential. The information they provide is confidential and will be used for academic purpose only.

Organizational approval – The researcher will have obtained approval prior to any research activity at the Ministry.

Informed consent – Cover letters explain the purpose of the questionnaire and the right to accept or refuse to participate in the research activities were given to the respondents of this study. As well as explaining the purpose of the study and for what purpose the study is conducted.

Chapter Four

Results and Discussions

4.1 Introduction

This chapter consisted of three subsections; descriptive, correlation and regression analysis. The first subsection that is, descriptive analysis presents the data collected through questionnaires using tables, graphs and charts. The researcher has also analyzed and interpreted the data collected. The second subsection, which is the correlation analysis, measured the degree to which the two variables are related. The last subsection that is, multiple linear regression analysis determines what statistical impact the independent variables have on the dependent variable.

In this chapter, the researcher has included presentation, analysis and interpretation of primary data gathered through questionnaire which was prepared and distributed to Expert Level employees of the Ministry of Agriculture and Natural Resources. In this study, 224 questionnaires were distributed to respondents and 193 questionnaires were returned fully completed which is 86.16% response rate. The remaining 31 questionnaires were not returned back to the researcher due to different reasons.

4.2 Descriptive Analysis

The descriptive analysis is to summarize the data to be more manageable without losing any important information therefore making it easier to have a better understanding on variables (Field, 2009). Descriptive analysis of data through tables, graphs and charts with its interpretation can be seen as follows:

4.2.1 General Background of Respondents

Under this section, the information gathered by the researcher regarding the general background of the respondents is presented. The researcher collected demographic characteristics of respondents like age, sex, marital status and educational background. In addition to the above, data regarding respondents' year of service in the Ministry and their length of stay in their respective current position had been gathered and presented in this section.

As it can be seen in the figure below (Figure 4.1), results from the Ministry respondents shows the frequency of different age range of respondents who participated in the survey. The total number of respondents were 193. Out of the total respondents, 4 (2.1%) of the respondents are below age 25, 111 (57.5%) of the respondents are age 26 – 35, while respondents that are from 36 – 45 years made 45(23.3%) of the respondents which is 45 in number, and 33 (17.1%) of the respondents are above 45 years. This indicates that most of the respondents are in the young age group which will be looking for challenging works, open for change and ready to learn more in the dynamic environment of the Ministry.
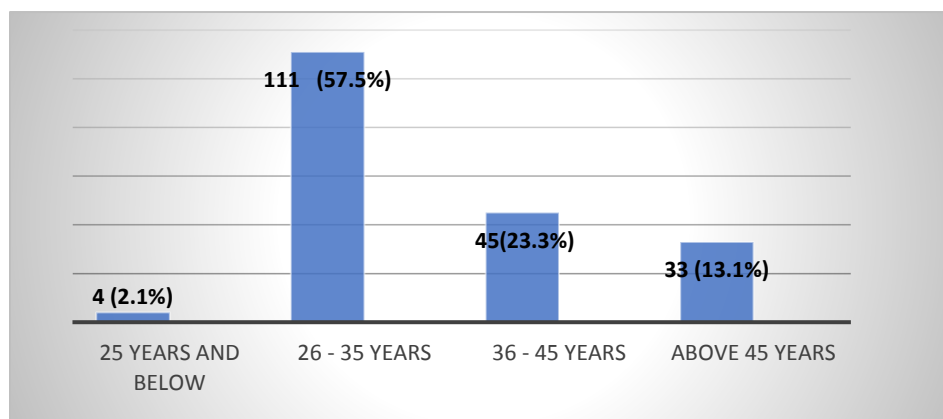
Figure 4.1: Age distribution of respondents (n=193)

Source: Own Questionnaire 2017

As it is shown in the below figure, the gender distribution of respondents indicates that there are more male as compared to females. That is, male represented 149 (77.2%) whereas female represented the rest 44 (22.8%). This shows that female experts are less in number while it is the opposite for male experts.
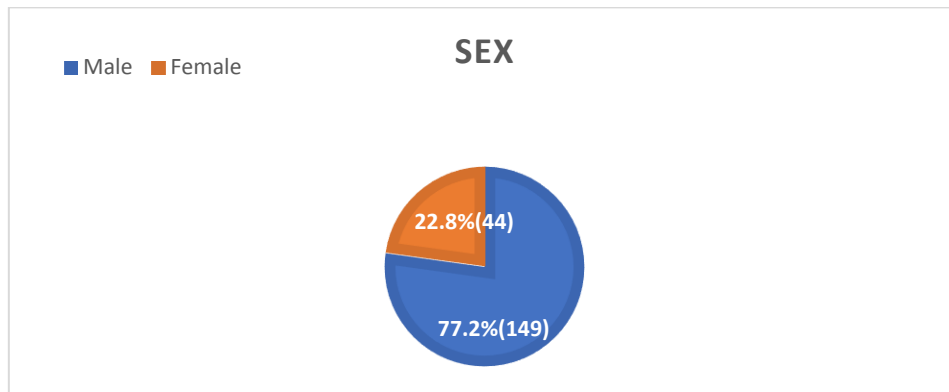
Figure 4.2: Gender distribution of respondents (n=193)

Source: Own Questionnaire 2017

The below figure shows that respondents comprising 108 (58.1%) were married while 68 (36.6%) of them were single. The rest 10 (5.4%) are not marred or leave a single life.
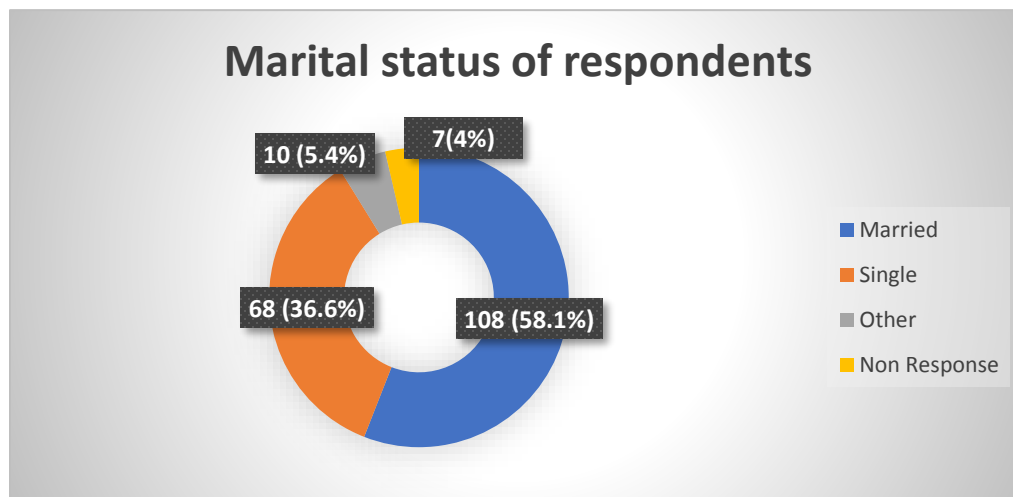
Figure 4.3: Marital status of respondents (n=186, 7 = non-response)

Source: Own source questionnaire (2017)

When looking into educational levels of the employees, the result shows that majority of the respondents are BSC/BA degree holders, that is, 131 (67.9%), where the remaining 62 (32.1%) have MSC/MA degree.
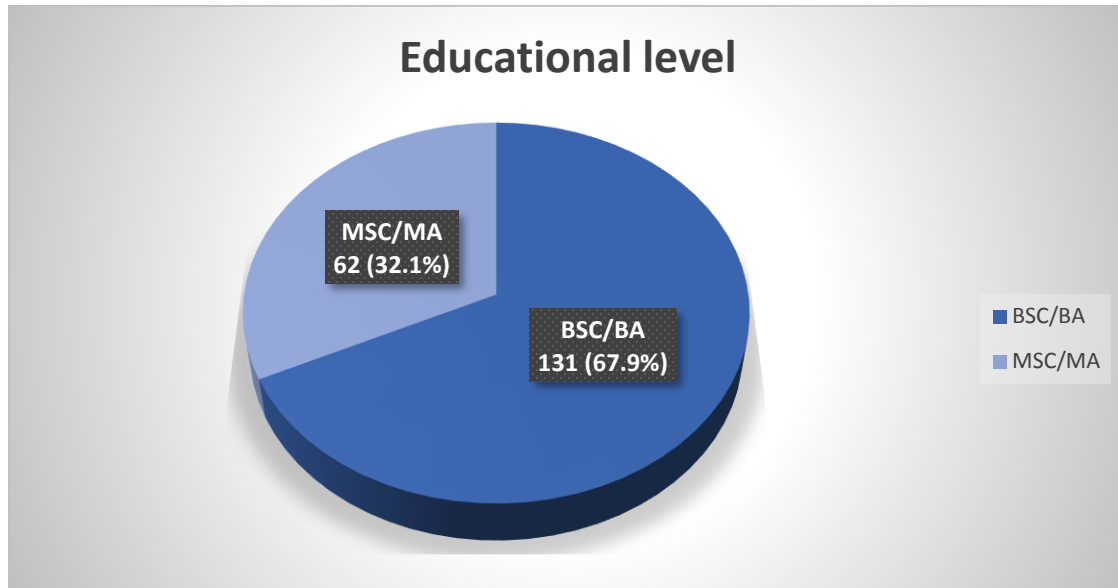
Figure 4.4 Educational level of respondents (n=193)

Source: Own questionnaire 2017

Regarding to the year of service that employees spent in the Ministry, table 4.1 shows that most of the respondents representing 126 (65.3%) stayed in the Ministry for five years and less, while 43 (22.3%) of the respondents stayed 6 − 10 years, whereas 4.1% (8) of the respondents stayed within the Ministry for 11 − 15 years, and 16 (8.3%) stayed for 16 years and more. This shows that majority of the respondents spent smaller number of years within the ministry when compared to those stayed longer.

When looking at the year of services that employees spent in their current position, 69 (35.8%) of the respondents have served in their current position for a year and less, and the majority, which is 84 (43.5%) of the respondents served in their current position for 6 − 10 years. On the other hand, respondents who stayed in their current position for 11 − 15 years

were 10 (5.2%), while the rest 4 (2.1%) stayed in their current position for 16 years and above. This shows that the movement within the Ministry is lower.

Table 4.1: Length of stay with in Ministry and on current position (n=193)

	n	%
Length of Stay in the Ministry		
5 years and below	126	65.3
6 - 10 years	43	22.3
11 - 15 years	8	4.1
16 years and above	16	8.3
Length of Stay in Current Position		
1 year and below	69	35.8
2 - 5 years	84	43.5
6 - 10 years	26	13.5
11 - 15 years	10	5.2
16 years and above	4	2.1

Source: Own questionnaire 2017

4.2.2 Perception of employee retention

The results shown in table 4.2 shows the level of employees' agreement to the questions that they were asked about retention related issues. 16.6% strongly disagreed when they were asked if they would choose to work for the Ministry for the next five years while 33.77% disagreed. On the contrary 6.7% of the respondents strongly agreed to the statement while 23.3% agreed and the rest 19.7% were neutral. Here the arithmetic mean for this individual item is 2.74 which is below the cutoff point of three. This shows that majority of the

respondents' intent to stay within the Ministry is very low which is an alarming thing for the Ministry.

For the second statement, 'the work that I am doing is very important to me', 4.2% of the respondents strongly disagreed and 12.6% disagreed while 19.9% of them strongly agreed and 53.4% agreed leaving the 9.9% neutral. Here the arithmetic mean for this individual item is 3.72 which is above the cutoff point of three. This shows that the employees have derive meaning from their work which adds value to retention.

When respondents were asked if they could start over again they would choose to work for another organization, 16.6% of them strongly agreed and 32.6% agreed while 5.7 strongly disagreed and 30.1% disagreed leaving the rest 15% neutral. Here the arithmetic mean for this individual item is 2.76 which is below the cutoff point of three. This implies that majority of the respondents think that they have made the wrong choice in joining the Ministry which is not a good sign for the Ministry in terms of employee's loyalty.

On the other hand. 21.8% of the respondents strongly disagreed when asked if they would recommend their friends to join the Ministry, and 25.9% disagreed while 5.7% strongly agreed to the statement and 20.7% agreed to it leaving the rest 25.9% neutral. Here the arithmetic mean for this individual item is 2.63 which is below the cutoff point of three. This can be interpreted that most of the respondents does not see the Ministry as a working place that is good for others to join (Table 4.2).

The response for the statement 'it does not matter if I am working for the Ministry or another organization as long as I have work' were strongly disagreed by 16.1% of them and disagree by 25.4% of them while 8.3% responded strongly agree and 31.1% agree leaving the

rest 19.2% neutral. Here the arithmetic mean for this individual item is 3.10 with is very close to the cutoff point of three.

To summarize, from this result it can be deduced that the respondents did not respond in favor of staying within the Ministry in the coming few years, this is because, 49.2% are planning to work for other organization in the coming three years, whereas the same percentage of respondents would choose to work for another organization if they could start over again. Though 67% of the respondents claimed that they would look for possibilities of finding other job within the Ministry and 73.3% of the respondents claimed that the work that they do is important to them, 50.3% would not choose to work for the Ministry for the coming five years while 47.7% would not even want to recommend their friends to join the Ministry.

Table 4.2: Employees' level of agreement to employee retention (n = 193)

Statements	Strongly disagree		Disagree		Neutral		Agree (%)		Strongly agree (%)		Mean	Std. Deviation
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%		
Employee retention												
I am planning on working for another organization within a period of three years	18	9.4	42	22	37	19.4	61	31.9	33	17.3	2.74	1.245
Within this Ministry, my work gives me satisfaction	21	10.9	94	48.7	12	6.2	38	19.7	28	14.5	3.22	1.289
If I want to do another job, I would	26	13.5	104	53.9	17	8.8	33	17.1	13	6.7	3.5	1.128

Statement												
look first at the possibilities within this Ministry												
I would choose to work for the Ministry for the next five years	13	6.7	45	23.3	38	19.7	65	33.7	32	16.6	2.7	1.191
The work that I am doing is very important to me	38	19.9	102	53.4	19	9.9	24	12.6	8	4.2	3.72	1.052
If I could start over again, I would choose to work for another organization	11	5.7	58	30.1	29	15	63	32.6	32	16.6	2.76	1.211
I would recommend my friends to join the Ministry	11	5.7	40	20.7	50	25.9	50	25.9	42	21.8	2.63	1.197
It doesn't matter if I am working for the Ministry or another organization as long as I have work	31	16.1	49	25.4	37	19.2	60	31.1	16	8.3	3.1	1.24

Source: Own questionnaire 2017

4.2.3 Employees' level of agreement to employee empowerment statements

When looking at employee's level of agreement to the independent variable employee empowerment, 8.9% strongly disagreed to the statement 'my manager encourages me to make my own decisions as far as possible' and 16.2% of them disagreed while 15.7% strongly agreed and 48.7% agreed leaving the rest 10.5% neutral. Here the arithmetic mean for this individual

item is 3.46 which is above the cutoff point of three. Which tells that majority of the employees are encouraged to make their own decision which is one of the signs of existence of empowerment (Table 4.3).

Strongly disagree was the response for 7.3% of the respondents to the statement 'I have access to all information, materials, equipment, and resources to do my job right and make decision' and 18.7% of them disagreed whereas 12.4% strongly agreed and 53.9% agreed leaving the rest 7.8% neutral. Here the arithmetic mean for this individual item is 3.46 which is above the cutoff point of three. Which shows that the Ministry provides the opportunity and encourages employees to have access to the required imputes for making decisions.

Respondents who strongly disagreed to the statement 'I have a lot of control over how I do my job' were 6.7% and those who disagreed were 35.4% whereas 14.0% strongly agreed and 45.6% agreed leaving 8.3% neutral. Here the arithmetic mean for this individual item is 3.35 which is above the cutoff point of three. This shows that employees do their job with no frequent interference by supervisors which can build employees confidence in what they do.

When respondents were asked if they are often involved when changes are planned, 7.9% of them strongly disagreed to the statement and 20.9% disagreed while 8.9% strongly agreed and 51.8% agreed leaving the rest 10.5% neutral. Here the arithmetic mean for this individual item is 3.33 which is above the cutoff point of three. This shows that respondents will not be against change since they are part of it and they are well informed about the process.

With regards to the statement 'my ideas and inputs are valued' 3.1% of the respondents strongly disagreed, 19.2% disagreed, 14.0% strongly agreed, 51.8% agreed and the rest 11.9% were neutral. Here the arithmetic mean for this individual item is 3.54 which is above the cutoff

point of three. This shows that respondents feel that they are accepted within the Ministry which creates a feeling of belongingness.

When coming to the statement 'I am involved in making decision that affect my job' 2.1% of the respondents strongly disagreed, 11.9% disagreed, 13.5% strongly agreed, 62.7% agreed and the rest 9.8% were neutral. Here the arithmetic mean for this individual item is 3.74 which is above the cutoff point of three. From this, it can be inferred that they don't just get directions but also, they are involved in making decisions that affect their job which makes them feel empowered.

Respondents that strongly agreed to the statement 'I participate in setting the goals and objectives for my job' were 14.5% and those who agreed were 60.7% while 4.7% strongly disagreed and 14.0% agreed leaving the rest 6.7% neutral. Here the arithmetic mean for this individual item is 3.66 which is above the cutoff point of three. This shows that employees have a say and contribution in what they plan to do which creates a feeling of ownership, responsibility and transparency within the employees.

To summarize, Table 4.3 below shows that, majority of the respondents feel that they are empowered that is, 64.4% favor the fact that their managers encourage them to make their own decision, 66.3% believe that they have access to the required information and input to do their job right and make decisions. Similarly, 59.6% are in favor of the fact that they have control over how they do their job while 60.7% are involved in change processes and 65.8% believe their ideas are valued. In addition to this 76.2% claim that they are involved in the decision-making process that affects their job and 74.6% that they participate in setting the goals and objectives of their job.

Table 4.3: Employees' level of agreement to employee empowerment statements (n = 193)

Statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Mean	Std. Deviation
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%		
Empowerment												
My manager encourages me to make my own decisions as far as possible	17	8.9	31	16.2	20	10.5	93	48.7	30	15.7	3.46	1.195
I have access to all information, materials, equipment, and resources to do my job right and make decisions	14	7.3	36	18.7	15	7.8	104	53.9	24	12.4	3.46	1.145
I have a lot of control over how I do my job	13	6.7	49	25.4	16	8.3	88	45.6	27	14	3.35	1.194
I am often involved when changes are planned	15	7.9	40	20.9	20	10.5	99	51.8	17	8.9	3.33	1.138
My ideas and inputs are valued	6	3.1	37	19.2	23	11.9	100	51.8	27	14	3.54	1.05
I am involved in making decisions that affect my job	4	2.1	23	11.9	19	9.8	121	62.7	26	13.5	3.74	0.912
I participate in setting the goals and objectives for my job	9	4.7	27	14	13	6.7	116	60.1	28	14.5	3.66	1.039

Source: Own questionnaire 2017

4.2.4 Employees' level of agreement to training and development statements

When looking at employees' level of agreement regarding availability of fair training and development process within the Ministry, Table 4.4 shows that 7.3% of the respondents strongly disagreed to the statement 'I have many opportunities to learn new things' and 31.1% disagreed, 9.8% strongly agreed, 40.9% agreed and the rest 10.9% were neutral. Here the arithmetic mean for this individual item is 3.15 which is above the cutoff point of three. This implies that most employees believe that they have opportunity to learn new things which helps in advancement and improvement.

Respondents responses to the statement 'the Ministry uses a systematic process for identifying employee development needs and implementing solutions' were 26.7% strongly disagree, 31.4% disagree, 2.1% strongly agree and 26.7% agree while the remining 13.1% were neutral. Here the arithmetic mean for this individual item is 2.46 which is below the cutoff point of three. This shows that the Ministry is not using a systematic process for training and development need assessment and provision of training and development opportunities accordingly.

Those respondents who responded strongly disagree to the statement 'employees are continually developed through training, education, and opportunities for promotion' were 7.8%, while 23.3% responded disagree. In the contrary 8.3% strongly agreed and 44.6% agreed to the statement where the remaining 16.1% were neutral to the idea. Here the arithmetic mean for this individual item is 3.22 which is above the cutoff point of three. This shows that there is an opportunity for a continuous training and development through trainings and education.

Employees were asked if senior managers mentor junior employees, and their response was strongly disagreed by 12.6% of the respondents, 33.0% disagreed, 12.0% strongly agreed and 24.6% agreed leaving the rest 17.8% neutral. Here the arithmetic mean for this individual item is 2.91 which is below the cutoff point of three. This shows that junior employees do not get support from senior managers in which blocks knowledge transfer from the senior to the juniors.

About 10.4% of the respondents strongly disagreed to the statement 'my manager assists me to identify my training and development needs' and 32.1% disagreed while 5.2 strongly agreed and 36.8% agreed leaving the rest 15.5% neutral. Here the arithmetic mean for this individual item is 2.94 which is a little below the cutoff point of three. This shows that majority of the employees do not get help from supervisors in identifying their knowledge and skill gaps so that they can use the training and development opportunity available within the Ministry.

Majority of the respondents that is, 54.3% agreed that the training they receive is relevant for their job and 16.5% strongly agreed to the same statement. In the contrary, 6.4% strongly disagreed and 12.2% disagreed leaving 10.6% neutral. Here the arithmetic mean for this individual item is 3.62 which is above the cutoff point of three. This implies that majority of the respondents believe that the training that they receive is in accordance with their job requirement which adds value to the attainment of organizational objective.

Over all per the results of the study shown on table 4.4, respondents agree to some level with regards to the provision of training and development in favor of their interest that is, 50.7% agreed that they have opportunities for them to learn new things, 52.9% agreed that they

are continually developed through training, education, and opportunities for promotion whereas, 42% of them confirmed that their managers assists them in identifying there development needs and 70.8% believe that the training that they receive is relevant to their job. However, about 42.5% of the respondents agreed that managers are not assisting subordinates in identifying their training and development needs, also 45.6% of them agreed that senior managers do not mentor juniors. In addition to this, 58.1% responded that the Ministry not using a systematic process for identifying employee development needs and implementing solutions. Over all, it shows that the Ministry lacks a system that identifies training needs and skill gaps in order to train employees per their skill gap which may lead to inefficiency and unwise use of resources. On the other hand, it shows a lack of knowledge transfer system within the Ministry.

Table 4.4: Employees' level of agreement to training and development statements (n = 193)

Statements	Strongly disagree (%)		Disagree (%)		Neutral (%)		Agree (%)		Strongly agree (%)		Mean	Std. Deviation
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%		
Training and Development												
I have many opportunities to learn new things	14	7.3	60	31.1	21	10.9	79	40.9	19	9.8	3.15	1.178
The ministry uses a systematic process for identifying employee	51	26.7	60	31.4	25	13.1	51	26.7	4	2.1	2.46	1.204

development needs and implementing solutions												
Employees are continually developed through training, education, and opportunities for promotion	15	7.8	45	23.3	31	16.1	86	44.6	16	8.3	3.22	1.131
Senior managers mentor junior employees	24	12.6	63	33	34	17.8	47	24.6	23	12	2.91	1.247
My manger assists me to identify my training and development needs	20	10.4	62	32.1	30	15.5	71	36.8	10	5.2	2.94	1.146
The training I receive is relevant to my job	12	6.4	23	12.2	20	10.6	102	54.3	31	16.5	3.62	1.095

Source: Own questionnaire 2017

4.2.5 Employees' level of agreement to career development and succession planning statements

When looking at employees' level of agreement to the statements of the independent variable career development and succession planning on table 4.5, 14.0% responded strongly disagree to the statement 'there is opportunity for me to advance at the Ministry' and 23.3% disagreed while 8.3% strongly agreed and 44.0% agreed and the rest 10.4% were neutral to the

statement. Here the arithmetic mean for this individual item is 3.09 which is above the cutoff point of three. This shows that there is opportunity for growth within the Ministry.

Those who strongly agreed to the statement 'leaders are developed from within the Ministry' were 23.3% which is the same number for those disagreed. Whereas 5.8% strongly agreed, 20.1% agreed and the rest 27.5% were neutral. Here the arithmetic mean for this individual item is 2.62 which is below the cutoff point of three. This shows that there are times in which leaders are developed from within the Ministry but mostly they are recruited from outside.

Majority of the respondents (53.8%) agreed to the statement 'I am continuously learning and trying to improve myself' and 30.6% strongly agreed while 2.1% strongly disagreed, 9.8% disagreed and 4.7% were neutral. Here the arithmetic mean for this individual item is 4.00 which is above the cutoff point of three. From this, it can be inferred that employees are making themselves ready through training and continuous learning to challenge the dynamic environment where there is always a rapid change through the working process.

With regards to the statement 'I have been given more responsibilities since when I started', 8.3% of the respondents strongly disagreed, 19.7% disagreed, 10.4% strongly agreed, 51.8% agreed and the rest 9.8% were neutral. Here the arithmetic mean for this individual item is 3.36 which is above the cutoff point of three. This shows that most employees are building their career through managing more responsibilities from time to time which creates a feeling of valuableness to the organization.

Respondents level of agreement to the statement 'there is equal opportunity for advancement' was strongly disagree by 16.6% of the respondents, disagree by 38.9% of the respondents, strongly agree by 2.1%, and agree by 26.4% of the respondents where the rest

16.1% were neutral. Here the arithmetic mean for this individual item is 2.59 which is below the cutoff point of three. This shows that employees believe that there is no equal opportunity for advancement within the Ministry.

Over all, the respondents see that there is an opportunity for them to advance in the Ministry, while 83.4% say that they are continuously learning and trying to improve themselves. Respondents that have claimed that they have been given more responsibilities since they started working at the Ministry were 62.%. Though 46.6% and 55.5% does not believe that leaders were developed from within the Ministry and there is no equal opportunity for advancement at the Ministry respectively.

Table 4.5: Employees' level of agreement to career development and succession planning statements (n = 193)

Statements	Strongly disagree (%) Freq.	%	Disagree (%) Freq.	%	Neutral (%) Freq.	%	Agree (%) Freq.	%	Strongly agree (%) Freq.	%	Mean	Std. Deviation
Career Development and Succession Planning												
There is opportunity for me to advance at the Ministry	27	14	45	23.3	20	10.4	85	44	16	8.3	3.09	1.251
Leaders are developed from within the Ministry	44	23.3	44	23.3	52	27.5	38	20.1	11	5.8	2.62	1.209
I am continuously learning and trying to improve myself	4	2.1	19	9.8	9	4.7	102	52.8	59	30.6	4	0.968

I have been given more responsibilities since when I started	16	8.3	38	19.7	19	9.8	100	51.8	20	10.4	3.36	1.156
There is equal opportunity for advancement at the Ministry	32	16.6	75	38.9	31	16.1	51	26.4	4	2.1	2.59	1.111

Source: Own questionnaire 2017

4.2.6 Employees' level of agreement to compensation statements

When looking at the Table 4.6 below, it shows the level of agreement of employees to employee compensation statements that is, majority of the respondents that is 37.3% strongly disagreed to the statement 'the Ministry maintains a competitive pay and benefit package' wile 36.8% disagreed, 1.0% strongly agreed, 17.6% agreed and the rest 7.3% were neutral. Here the arithmetic mean for this individual item is 2.08 which is below the cutoff point of three. This shows that the employees don't believe that the compensation they get is competitive enough.

Respondents level of agreement to the statement 'the Ministry pay policy helps to attract and retain high performing employees' was strongly disagree by the majority of the respondents (44.0%), disagree by 33.2% of the respondents while 4.1% strongly agreed and 10.9% agreed leaving the rest 7.8% neutral. Here the arithmetic mean for this individual item is 1.98 which is below the cutoff point of three. This can imply that the Ministry does not have a pay policy that is attractive and is capable of retaining its best employees.

Majority of the respondents (42.0%) strongly disagreed to the statement 'my pay matches my job performance', while 35.2% disagreed, 4.1% strongly agreed, and 9.8% were neutral. Here the arithmetic mean for this individual item is 1.98 which is below the cutoff

point of three. This implies that employees don't feel that they are earning based on their performance which demotivates employees.

Respondents who strongly disagreed to the statement 'I feel I am adequately paid compared to my colleagues at other organizations' were 51.3% while those disagreed were 34.2%. Whereas 3.6% strongly agreed and 5.2% agreed to the same statement where the rest 5.7% were neutral. Here the arithmetic mean for this individual item is 1.76 which is below the cutoff point of three. This shows that the Ministry does not have a competitive pay policy when compared with other organizations.

When reviewing the response of respondents to the statement 'my pay is fair for my position', 50.3% strongly disagreed, 33.4% disagreed, 2.6% strongly agreed, 5.8% agreed and 7.9% were neutral. Here the arithmetic mean for this individual item is 1.77 which is below the cutoff point of three. From this, it can be inferred that employees do not feel that what they are earning is fair for the position and responsibilities that they are executing.

Overall, though the respondents have agreed favorably to most of the employee retention and related factors' statements, the very alarming thing is that the respondents raised serious concerns towards almost all of the compensation statements like, 'perceived unfair salary in relation to position' (about 83.7%), 'not getting adequate payment compared to colleagues at other organization' (about 85.5%), 'perceived unfair salary in relation to performance' (about 77.2%), 'unattractive pay policy which does not help in retaining high performing employees' (about 77.2%), and 'a noncompetitive pay and benefits package by the Ministry' (about 74.1) which can be seen as a clear demotivating factor.

Table 4.6: Employees' level of agreement to compensation statements (n = 193)

Statements	Strongly disagree Freq.	%	Disagree Freq.	%	Neutral Freq.	%	Agree Freq.	%	Strongly agree Freq.	%	Mean	Std. Deviation
Employee Compensation												
The Ministry maintains a competitive pay and benefits package	72	37.3	71	36.8	14	7.3	34	17.6	2	1	2.08	1.115
The Ministry pay policy helps to attract and retain high performing employees	85	44	64	33.2	15	7.8	21	10.9	8	4.1	1.98	1.155
My pay matches my job performance	81	42	68	35.2	19	9.8	17	8.8	8	4.1	1.98	1.118
I feel I am adequately paid compared to my colleagues at other organizations	99	51.3	66	34.2	11	5.7	10	5.2	7	3.6	1.76	1.025
My pay is fair for my position	96	50.3	64	33.4	15	7.9	11	5.8	5	2.6	1.77	1

Source: Own questionnaire 2017

4.2.7 Descriptive statistics of variables

The descriptive statics clearly depicts the corresponding arithmetic mean and standard deviation of the four independent variables and the dependent variable (Table 4.7). Thus, employee compensation has a mean score of 1.91 and standard deviation of 0.92, career development and succession planning has a mean score of 3.12 and a standard deviation of 0.77, training and development has a mean score of 3.09 and a standard deviation of 0.88, retention has a mean score of 3.05 and standard deviation 0.65, and empowerment has a mean score of 3.49 and standard deviation of 0.82.

This shows that, except for employee compensation dimension, all other dimensions have mean value greater than the average standard. Accordingly, it implies that respondents' perception is in favor of the dimension empowerment, training and development, career development and succession planning and retention. However, the mean value for compensation dimension is below the average standard, which shows that respondents are not in favor of the dimension employee compensation.

Table 4.7: Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Compensation	193	1	5	1.91	.92
Career development and succession planning	193	1	5	3.12	.77
Training and development	193	1	5	3.09	.88
Retention	193	1	5	3.05	.65
Empowerment	193	1	5	3.49	.82
Valid N	193				

Source: Own questionnaire 2017

4.3 Correlation analysis

Correlation coefficient statistics measure the degree to which two sets of numbers are related. A higher correlation coefficient signifies a stronger relationship. At one extreme, a correlation coefficient of 1.0 means a perfect positive relationship as one set of numbers goes up, so does the other. At the other extreme, a correlation of -1.0 means a perfect negative relationship that is when one set of numbers goes up, the other goes down. In the middle, a correlation of 0 means there is no correlation at all (Noe and others, 2011). If a correlation is between 0.1 and 0.3 (ignoring the sign), the association is small/low. If a correlation is between 0.3 and 0.5, the association is medium (moderate), and if a correlation is 0.5 or greater, the association is large (high), (Colin and Paul, 2012).

In order to determine the factors that affect employee retention within the Ministry, relationship between independent variables that is, empowerment, training and development, career development and succession planning and compensation and the dependent variable (retention), a correlation analysis has been conducted by classifying relationship with each dimension.

The result on table 4.8 shows that all variables are correlated with each other at a significance level of 0.01. The Pearson correlation between compensation and retention is 0.441, between compensation and career development is 0.405, between compensation and training and development is 0.486 and between compensation and empowerment is 0.401. This shows that compensation is moderately correlated with the rest of the variables.

On the other hand, the Pearson correlation between career development and succession planning and retention is 0.383, and between career development and succession planning and compensation is 0.405, which shows that career development and succession planning is

moderately correlated with retention and compensation. Whereas, the Pearson correlation between career development and succession planning training and development is 0.619 and between career development and succession planning and empowerment is 0.611, which shows that career development and succession planning is highly correlated with training and development and empowerment.

Table 4.8 also shows that the Pearson correlation between training and development and retention is 0.364 and between training and development and compensation is 0.486, which shows that training and development has a moderate correlation with the two variables. On the other hand, the Pearson correlation between training and development and career development and succession planning is 0.619 and between training and development and empowerment is 0.614, which shows that training and development is highly correlated with career development and succession planning and empowerment.

The Pearson correlation between empowerment and retention is 0.329 and between empowerment and compensation is 0.401, which shows that empowerment is moderately correlated with retention and compensation. Whereas, the Pearson correlation between empowerment and career development and succession planning is 0.611 and between empowerment and training and development is 0.614, which shows that empowerment is highly correlated with career development and succession planning and with training and development.

Table 4.8 Correlation analysis between all variables

<div align="center">Correlations</div>

		Retention	Compensation	Career Development and Succession Planning	Training	Empowerment
Retention	Pearson Correlation	1	.441**	.383**	.364**	.329**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	193	193	193	193	193
Compensation	Pearson Correlation	.441**	1	.405**	.486**	.401**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	193	193	193	193	193
Career Development. & Succession Planning	Pearson Correlation	.383**	.405**	1	.619**	.611**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	193	193	193	193	193
Training and Development	Pearson Correlation	.364**	.486**	.619**	1	.614**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	193	193	193	193	193
Empowerment	Pearson Correlation	.329**	.401**	.611**	.614**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	193	193	193	193	193

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

Source: Own questionnaire 2017

4.4 Regression analysis

Regression is the determination of a statistical relationship between two or more variables. It is a method used to investigate the effect of one or more predictor variables on an outcome variable. That is, it allows us to make statements about how well one or more independent variables will predict the value of a dependent variable (Kothari, 2004).

The results of the multiple linear regression revealed that career development and succession planning and employee compensation were found to be significantly associated with employee retention. This implies that as career development and succession planning

increases with one unit then employee retention will also increase by 0.183 units, and if compensation increases with one unit then employee retention will increase by 0.314 units.

However, based on the finding of this study, training and development and empowerment were not found to be significantly associated with employee retention.

Table 4.9: Multiple linear regression analysis model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.499[a]	.249	.233	4.56113

a. Predictors: (Constant), Compensation, Empowerment, Career development and succession planning, Training and development

Table 4.10: Multiple linear regression analysis ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1299.428	4	324.857	15.615	.000[b]
	Residual	3911.142	188	20.804		
	Total	5210.570	192			

a. Dependent Variable: Retention

b. Predictors: (Constant), Compensation, Empowerment, Career development and succession planning, Training and development

Source: Own questionnaire 2017

Table 4.11: Multiple linear regression analysis results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	14.792	1.559		9.491	.000
Empowerment	.046	.079	.050	.582	.561
Training and Development	.066	.089	.067	.745	.457
1 Career Development and Succession Planning	.245	.117	.183	2.098	.037
Compensation	.352	.083	.314	4.266	.000

a. Dependent Variable: Retention

Chapter Five

Summary, Conclusion, and Recommendation

In this chapter, major findings of the study are summarized and the subsequent conclusions are made based on the findings, and recommendations are forwarded to better enhance employee retention within the Ministry.

5.1 Summary of major findings

After going through the analysis and interpretation obtained from the questionnaire, the researcher come up with the following summary: -

Employee Retention

- Majority of the employees do not want to stay within the Ministry longer and they would choose to work for other organizations.

- Most employees don't even want to recommend the Ministry for their friends.

Employee Empowerment

- Majority of the employees fell that they are empowered because they have the access to imputes that help them execute their job and make decision, they are encouraged to make decisions related to their job, they participate in setting the goals and objectives for their job and that their ideas and inputs are valued.

Training and Development

- Majority of the respondents feel that there are opportunities for employees to develop continually through training and development.

- Most respondents feel that the Ministry does not use a systematic approach for identifying training needs and skill gaps

Career Development and Succession Planning

- Majority of the respondents feel that there is career development opportunity within the Ministry

- Most respondents feel that most senior managers do not mentor junior employees

- Majority of the respondents feel that mostly leaders are not developed from within the Ministry

- Most employees are not in favor of the idea that here is equal opportunity for advancement within the Ministry

Employee Compensation

- Majority of the respondents feel that the Ministry does not have competitive pay and benefit package

- Most employees are not satisfied with their earning whether it is compared with other organizations, compared with their performance or even their position.

5.2 Conclusion

Employee retention level has been an issue in most organizations and many strive to keep their employees to stay for a long period. On the other hand, the low retention could harm the sustainability of the organization and the attainment of organizational objectives. Studies had stated that employee retention could be affected by some key factors.

The main objective of this research was to find out the factors that are affecting employee retention within MoANR by primarily focusing on the issues relating to employee empowerment, employee training and development, career development and succession planning, and employee compensation.

Quantitative method has been employed for conducting the research. This method was administered through cross sectional study by gathering data using questionnaires from selected employees (224) through simple random sampling. By using descriptive statistics including percentages, ratios, frequency distribution, means, standard deviations, regression analysis, and the appropriate graphic presentations the researcher described the collected data and reached to the following findings and conclusion.

Based on the major findings stated above, it can be concluded that intent to retention is very low in the Ministry as the majority of the employees do not want to stay within the Ministry longer and they would choose to work for other organization in the near future. Employees feel that they are empowered as they are involved in decision making and change processes. The Ministry provides opportunity for training and development however it does not use a systematic approach for identifying training needs and skill gaps. Knowledge transfer is difficult since most senior managers do not mentor junior employees. On the other hand, though there is a career development opportunity, mostly leaders are not developed within the

Ministry and there is no equal opportunity for advancement which shows that the Ministry is not working on succession planning. The finding also showed that the Ministry does not have competitive pay and benefit package and most employees are not satisfied with their earning.

As the study has shown through the output of the correlation analysis, employee empowerment, training and development, career development and succession planning, and employee compensation are positively correlated with the dependent variable employee retention and to each other. However, the output of the multiple linear regression model showed that the most influential factor that significantly affect employee retention within the Ministry was found to be employee compensation followed by career development and succession planning. Thus, it can be concluded that from the four factors that were the focus of this study, employee compensation and career development and succession planning are the major factors that are affecting employee retention within the MoANR. However, employee empowerment and training and development were not significantly related to employee retention.

5.3 Recommendation

The Ministry of Agriculture and Natural Resources is one of the vital strategic institutions to implement the country's economic policy and strategy. Thus, MoANR's efficiency and effectiveness is directly related to the realization of the overall development goal of the country. The Ministry is expected to become accustomed with today's dynamic settings in order to realize its objectives.

Therefore, retaining the existing staff of the Ministry should be given due emphasis as it is critical in maintaining the capacity of the human resources. The Ministry should be able to design an employee retention strategy that fits its objectives and future needs. As per the

finding of this research, compensation and career development and succession planning are factors that affect employee retention within the Ministry. Thus, the researcher has recommended the following accordingly:

The compensation structure in the Ministry is the very concern of the majority of the respondents and is a factor that significantly affects retention with in the Ministry. Substantial reconsideration in the basic salary, benefits and other rewards should be in place in order to attract and retain competent talents for the effective execution of GTP II. This requires a change in the pay policy of the civil service which is gradually losing grounds as some agencies (EIAR– Ethiopian Institute of Agricultural Research, Ethiopian Shipping Lines, and Ethiopian Customs and Revenue Authority) are already getting a way out of it.

Therefore, MoANR should strive to have responsibilities transferred from Civil Service Ministry to the human resource management Directorate; implement simplified rules and procedures; and develop flexible policies that will help to review the basic salary and bonus structure frequently and adjust it based on the external factors such as inflation, standard living expenses and average salaries of private sectors.

Besides financial rewards, it is also recommended to apply non-monetary reward systems for employee engagement. Additional benefits like housing opportunities, extra (public) transport facilities or allowances, further study possibilities for long and short-term durations both locally and internationally, and periodical rewards for the qualitatively or quantitatively best performing employees, and credit facilities are options to apply in the Ministry.

On the other hand, the following are recommended for the betterment of the career development and succession planning aspect of the Ministry:

- Design and implement a system that allows employees to identify their career development needs through periodical meetings with their line managers/supervisors. Set career development goals during setting performance objectives for the year.

- Capacitating the Human Resource and Development section of the Ministry by creating a subsidiary HR unit under each directorate to support on development need analysis to have a proper diagnosis of what career development needs are out there to use as an opportunity for the Ministry, to identify the kind of trainings required to help in career development, for which employees and within what type of organizational system.

- Design training programs in light of the overall strategic demand of the sector and design a result oriented training and development practices system.

- Design and implement a leadership capacity development program to capacitate mangers in how to mentor and coach juniors which helps in knowledge transfer and prepares juniors for higher positions.

- Design a program for formal structured learning opportunities, particularly for those who newly join the Ministry. In this regard, a structured way of transferring explicit and implicit knowledge, experience and skills to the new employees in addition to training sessions is a value addition for the system.

- A formal or structured way of induction, mentoring or coaching of this junior level staff must therefore be developed.

- Design and implement a structured leadership capacity development program at different levels of the Ministry to empower internal talent to meet future needs there

by optimize organizational leadership. In this approach, the Ministry can maintain the continuity of strong leadership through appropriate succession planning skills.

- Tool for succession planning: succession planning steps may differ from organization to organization. The researcher has recommended the following steps in a way that can fit the Ministry's needs.

  - Step 1: Identify key positions for the Ministry.

  - Step 2: Review and list current and emerging needs.

  - Step 3: Prepare a chart that identifies the key positions and individuals in the organization. The positions might include those listed in step 1 and/or others that are pertinent to the Ministry, such as volunteers.

  - Step 4: Identify and list the gaps

  - Step 5: Evaluate/assess all staff members with the goal of identifying those who have the skills and knowledge or the potential along with the desire to be promoted to existing and new positions.

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Annex

Questionnaires prepared for the data gathering

Addis Ababa University
School of Commerce
MA in Human Resources Management program

<u>A Questionnaire to be filled by employees</u>

Dear Respondent,

This questionnaire is prepared by a student researcher who is a final year (graduating student), undertaking this research as a partial fulfillment of the requirements for award of MA degree in Human Resource Management, from Addis Ababa University, School of Commerce.

The purpose of this questionnaire is to collect data on the factors that are affecting employee retention within the MoANR so as to suggest possible solutions for problems identified while conducting the study. Your response to the question included in the questionnaire is used solely for academic purpose. Therefore, you are not required to write your name. You are respectfully requested to provide genuine response as per the requirements of each question. In doing so, please write down appropriate answers in the blank space. If you need more space, you are advised to attach additional paper.

It is believed that your response to the issues raised in the Questionnaire would positively contribute towards the success of the student's academic work.

Please put "x" sign in the box provided for the appropriate option or put the appropriate answer on the space provided only once for each question

General Background of Respondents (Demographic Information)

Part One Personal Data		
S/No.	Questions	Response
1	Age	1. 25 years and below ☐ 2. 26 – 35 years ☐ 3. 36 – 45 years ☐ 4. Above 45 years ☐
2	Sex	1. Male ☐ 2. Female ☐
3	Marital status	1. Married ☐ 2. Single ☐ 3. Other – Specify _____
4	Education/qualification	1.10+2 ☐ 2.12+2 ☐ 3.BSC/BA ☐ 4.MSC/MA ☐ 5.PhD☐ 6.If other, please specify_____
5	How long have you been working within the Ministry	1. 5 years and below ☐ 2. 6 – 10 years ☐ 3.11 – 15 years ☐ 4. 16 years and above ☐
6	How long have you served in your current position	1. 1 year and below ☐ 2. 2 – 5 years ☐ 3. 6 – 10 years ☐ 4. 11 – 15 years ☐ 5. 4. 16 years and above ☐

Please rate the following items as follow:

1= strongly disagree, 2= Disagree, 3= Neutral, 4=Agree, 5=strongly Agree

No.	Extent to stay within the Ministry and Factors Affecting Employee Retention	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Employee Empowerment						
1	My manager encourages me to make my own decisions as far as possible					
2	I have access to all information, materials, equipment, and resources to do my job right and make decisions					
3	I have a lot of control over how I do my job					
4	I am often involved when changes are planned					
5	My ideas and inputs are valued					
6	I am involved in making decisions that affect my job					
7	I participate in setting the goals and objectives for my job					
Employee Training and Development						
8	I have many opportunities to learn new things					
9	The ministry uses a systematic process for identifying employee development needs and implementing solutions					
10	Employees are continually developed through training, education, and					

	opportunities for promotion					
11	Senior managers mentor junior employees					
12	My manger assists me to identify my training and development needs					
13	The training I receive is relevant to my job					

Career Development and Succession Planning

14	There is opportunity for me to advance at the Ministry					
15	Leaders are developed from within the Ministry					
16	I am continuously learning and trying to improve myself					
17	I have been given more responsibilities since when I started					
18	There is equal opportunity for advancement at the Ministry					

Employee Compensation

19	The Ministry maintains a competitive pay and benefits package					
20	The Ministry pay policy helps to attract and retain high performing employees					
21	My pay matches my job performance					
22	I feel I am adequately paid compared to my colleagues at other organizations					
23	My pay is fair for my position					

Employee Retention

24	I am planning on working for another organization within a period of three years					
25	Within this Ministry, my work gives me satisfaction					
26	If I want to do another job, I would look first at the possibilities within this Ministry					
27	I would choose to work for the Ministry for the next five years					
28	The work that I am doing is very important to me					
29	If I could start over again, I would choose to work for another organization					
30	I would recommend my friends to join the Ministry					
31	It doesn't matter if I am working for the Ministry or another organization as long as I have work					

Thank you!