ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

THE EFFECT OF TALENT MANAGEMENT PRACTICES ON

EMPLOYEE RETENTION

THE CASE OF BGI ETHIOPIA ADDIS ABABA PLANT

BY

EYERUSALEM TSEGAYE

(SGS/0047/2013A)

May, 2022

ADDIS ABABA

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ADVISOR: BERIHUN MUCHE (PH.D.)

A THESIS SUBMITTED TO SAINT MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES, IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION

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ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

APPROVAL SHEET

THE EFFECT OF TALENT MANAGEMENT PRACTICES ON EMPLOYEE RETENTION: THE CASE OF BGI ETHIOPIA ADDIS ABABA PLANT.

BY

EYERUSALEM TSEGAYE

Board OF EXAMINERS

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Dean, Graduate Studies   **Signature & Date**

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External Examiner   **Signature & Date**

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Internal Examiner   **Signature & Date**

DECLARATION

I, the undersigned, declare that the study entitled, "The Effect of Talent Management Practices on Employee Retention: The Case of BGI Ethiopia Addis Ababa Plant" is the result of my own effort and study that all sources of materials used for the study have been acknowledged. I have conducted the study independently with the guidance and comments of the research advisor.

This study has not been submitted for any degree in any university. It is conducted for the partial fulfillment of the Master of Arts Degree in Business Administration

Eyerusalem Tsegaye   _____

                                                              Signature and date

ENDORSEMENT

This is to certify that Eyerusalem Tsegaye has conducted this project work entitled "The Effect of Talent Management Practices on Employee Retention: The Case of BGI Ethiopia Addis Ababa Plant" under my supervision.

This project work is original and suitable for the submission in partial fulfillment of the requirement for the award of a Master of Arts Degree in Business Administration.

Berihun Muche (Ph.D.)   _____

                                                          Signature and date

APPROVAL PAGE

The research project entitled "The Effect of Talent Management Practices on Employee Retention: The Case of BGI Ethiopia Addis Ababa Plant" is prepared and submitted by Eyerusalem Tsegaye in partial fulfillment of the requirements for the degree of Master of Business Administration, is hereby approved and accepted.

Research Adviser: Berihun Muche (PHD)   _____

                                             Signature and date

Examiner:_____   _____

                                             Signature and date

Examiner: _____   _____

                                             Signature and date

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ABBREVIATIONS AND ACRONYMS

TM   Talent Management

CIPD   Chartered Institute of Personnel and Development

RBV   Resource based view

HR   Human Resource

HRM   Human Resource Management

TVET   Technic and Vocational Education Training

VIF   Variance Inflation Factors

ERT   Employee Retention,

CMP   Competency Mapping

EGT   Employee Engagement

PRM   Performance management

ECD   Employee Career Development.

SPSS   Software Package for Social Science

ANOVA   Analysis of Variance

ABSTRACT

The study aimed to investigate the effect of talent management on employee retention in the case of BGI Ethiopia in Addis Ababa. A quantitative research approach with an Explanatory research design was applied. The population of the study considered employees of BGI Ethiopia, of which a sample of 300 respondents was selected by using a convenient non-probability sampling technique. The primary data were collected through a self-administered questionnaire and 233 valid and usable responses from the targeted respondents. Both descriptive and inferential analysis was applied to examine the relationship between talent management and employee retention with the help of SPSS 21.0 application software. The results of the findings revealed that all four dimensions of talent management namely competence mapping, employee engagement, performance management, and career development had a positive and significant effect on employee retention. Specifically, the career development dimension (β = .450) has relatively the highest effect followed by employee engagement (β = .361). But competency mapping (β = .223) and performance management (β = .176) have relatively lower contribution to the prediction model. It can be concluded that talent management practices of the company are good predictors of employee retention. They can be taken as essential components in the process of ensuring that people acquire and enhance the skills and competencies they need to retain and keep them loyal to the organization. Managers of BGI are advised to give priority to their employees' career development based on their performance appraisal, skill, or knowledge gap to make them more committed and loyal to the company.

CHAPTER ONE

INTRODUCTION

This chapter introduces the research by covering topics such as background of the study, statement of the problem, research questions and objectives, significance, scope, limitations as well as Organization of the study for the rest of the paper.

1.1 Background of the Study

In a competitive contemporary business edge, companies in a given industry are characterized by poaching or snatching skilled laborers from one another rather than acquiring and developing their own staffs' talent in line with their existing demand. Immense competition in a growing economy increases competition among business firms while creating new window of opportunity for the skilled workforce (Arnold, 2008). This, in turn, escalates industry's labor costs higher and higher every year unnecessarily due to costs arising from recruiting, acquiring and incentivizing new entrants whose skills and talents have to be figured out before inducting them on their rightful job's position. Talent Management (TM), the key to positioning of task forces in the right labor division, is the most vital aspect of human resource development. As a key differentiator of human resource capital management, retaining talented staff is the priority for many business organizations (Daniel, 2018). In doing so, it involves attraction of talents (competency mapping), training them to fit their intended position (performance management), encouraging them to participate in management decisions (staff engagement), develop their career path (career development) and finally make them loyal as a retention strategy. The HR practices of an organization should combine these activities to create a climate manifested in a high-performance work system whereby investing in.

Human capital management has become a priority as it remains the most important component in the course of implementing and maintaining an effective business strategy. Organizations, in this notion, greatly differ in their efforts to retain top talents. Thriving companies, like BGI Ethiopia, are able to compete effectively by overweighing their

competitors through attracting the best employees and putting initiatives to motivate them to remain within their staffing. As revealed in some studies, getting the best workforce for the job is a half battle win, but retaining such talented staff gives a firm an added advantage over the others. BGI Ethiopia recognizes the importance of its talented employees and that's why it has put a lot of effort into attracting but failed to retain top talents to drive its strategic business needs.

A number of studies have been conducted investigating the relationship between Talent Management and Employee retention. Most of the findings affirmed that Talent Management has a significant and positive effect on employee satisfaction that results in employee retention for a longer period. Talent Management and employee retention couldn't be seen in isolation and, thus, scholars recommend that good talent management is important in achieving the firm's set objectives/goals through Talent Management as a main driving force behind employee retention.

The case organization: BGI Ethiopia plc. Addis Ababa Plant

Established in 1922, St. George Brewery became a part of the BGI family in 1998 through privatization. Located in Mexico Square, Lideta sub-city at the heart of Addis Ababa; St. George Brewery currently has the production capacity of 550,000 HL per annum, providing jobs for 956 permanent and 58 seasonal employees.

Since 1998, BGI Ethiopia PLC has been operating in the production and distribution of beer, wine and other beverages. BGI owns five breweries including the iconic St. George Brewery in Addis Ababa, the Kombolcha Brewery, the Hawassa Brewery, zebidar Brewery and Maychew Northern Brewery, producing 3.6 million Hectoliters of beer (bottles and draft) annually.

1.2 Statement of the Problem

The effectiveness as well as suitability of an organization depends on its employees Hence, the key factor that determines the success of any Organization is its people.TM is one of the basic and most important elements of a company's leadership strategy in terms of developing the skills, values, and behaviors needed to promote a culture that delivers high

quality employee output (Henen, 2010). Most literature has linked retention of employees into TM which refers to competency mapping, performance management, employee engagement and career development of employees in such organizations (White, 2014). Good systems and processes can only be as good as the good people who manage them. Business firms which retain employees with a high rate of talent possess a comparative advantage over their rivals (Armstrong, 2010). As a result, Organizations have to be committed to develop the capacity of staff and systems to deliver the best of its capacity to its customers while also satisfying its staff.

As TM, the key to positioning task forces in the right labor division or department is the most vital aspect of HR. In doing so, it involves attraction of talents, train them to fit their intended position, develop their career path and finally make them loyal as a retention strategy (Henen, 2017).

Organizations greatly differ in their efforts to retain top talents. Highly strong firms such as BGI Ethiopia, are able to compete effectively by overweighing their competitors through attracting the best employees and putting initiatives in place to motivate them to remain within their staffing. As revealed in some studies, getting the best workforce for the job is half the battle win, but retaining such talented staff gives a firm an added advantage over the others (Binder, 2004). BGI Ethiopia recognizes the importance of its skilled employees and that's why it has put a lot of effort into attracting but failed to retain top talents to drive its strategic business needs.

Several studies have been conducted investigating TM and staff retention. Mathis (2006) while investigating the TM in worker force's retention in South Africa revealed that TM and employee retention couldn't be seen in isolation. The study therefore recommended that good talent management is important in achieving the firm's set objectives and goal and that the main driving force behind talent management was employee retention. Oladapo (2014) did an exploratory study on the effect of TM of a firm on its retention and the findings were that workforce retention is a major factor in reducing talented employee's turnover if implemented in a holistic approach. In the Ethiopian context, extant research (Misganaw, 2014; Aynalem, 2018; Hiwot, 2019) was conducted in this specific area but focused on service sectors like banks and insurance and concluded that employee retention

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couldn't be achieved by implementing some parts of talent management practices. This could be the case that BGI Ethiopia failed to retain its experienced staff despite its strong recruitment strategy and attractive compensations compared to firms engaged specifically in the beverage industry.

More exploration is needed to understand which dimension or practices of TM have more influence to retain the talent or mitigate employee turnover.

This therefore calls for a study that fills this challenge by studying the practices of talent management. This research focused on assessing the effect of Talent Management Practices on Employee Retention and tried to identify if the implemented techniques are really worth practicing and could really bear the fruit of retaining employees. Thus, the purpose of this research is to empirically examine the effect of overall TM practices on employee retention. Filling this gap enables the researcher to find out the significant relation between TM and employee retention at BGI Ethiopia addressing the following research questions:

1. How does employee engagement practice affect employee retention of BGI Ethiopia?
2. How does competency mapping practice affect employee retention of BGI Ethiopia?
3. How does performance management practices affect employee retention at BGI Ethiopia?
4. How does employee career development affect employee retention at BGI Ethiopia?

1.3 Research Objectives of the study

1.3.1 General objectives

The general objective of this study is to investigate the effect of talent management practices on employee retention in the case of BGI Ethiopia Addis Ababa Plant.

1.3.2 Specific objectives

I. To examine the effect of employee engagement on employee retention at BGI Ethiopia

II. To analyze the effect of competency mapping on employee retention at BGI Ethiopia

III. To assess the effect of performance management on employee retention at BGI Ethiopia

IV. To examine the effect of staff career development on employee retention at BGI Ethiopia

1.4 Research Hypothesis of the Study

The following hypothesis raised in this study will be:

I. H1 – Competency mapping has a positive and significant effect on employee retention

II. H2 – Employee engagement has a positive and significant effect on employee retention

III. H3 – Performance management has a positive and significant effect on employee retention

IV. H4 – Employee career development has a positive and significant effect on employee retention

1.5 Significance of the Study

This study investigates the relation between TM and employee retention for the fact that acquisition of accurate talent is a necessity for the survival and sustainability of a business firm. The output of this study may enhance the understanding of TM and how it leads to employee retention.

The study would be of great significance to human resource managers at BGI Ethiopia since the results of the findings will shed more light on talent management benefits and thus help them to understand the strategic human resource practices that lead to realization

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of increased levels of employee's commitment resulting in retention for the long term. It will play a significant role in providing information on ways of engaging the employees to enhance commitment.

The motivation for this study is that effective talent management could be impactful enough to bring the anticipated and desired change for the company while also enhancing the skill and mindsets of its employees.

1.6 Scope of the Study

The scope of the research is limited to talent management methodology systems and practices. While there are various talent management methodologies to choose from, this study only considers the practice of talent management with respect to employee engagement, competency mapping, performance management and career development.

Therefore, the scope of this study is limited geographically, conceptually and methodologically.

- Geographically - Limited to Addis Ababa, the place where BGI Ethiopia's head office is based.
- Conceptually - It focuses on the influence of talent management practices on employee retention for the fact that talent management explains variation in employee retention in terms of employee engagement, competency mapping, performance appraisal and compensation/ reward practices. Other factors such as employee trust, Organizational culture, corporate governance and other socio-demographic factors are intentionally excluded as they are beyond the scope of the study.
- Methodologically - Permanent employees, both management and non-management staff, of the company are considered as a target population for this study.

1.7 Limitations of the Study

This case study assesses the effect of talent management practices on employee retention. it has limitations in regards to restricting the determinants of employee retention. That

means there are other factors such as employee trust, organizational culture, corporate governance and other socio-demographic factors that could affect the staff retention but the study considered only talent management practices. Besides, only permanent employees were considered as a targeted population while excluding contact employees who contribute their own influence on commitment of permanent employees.

As also indicated in the research method, this research is done in one particular Organization as a consequence this study cannot be generalized.

Both the context and the methodology used for this research may limit the ability of this study to be considered generalizable to a wider population. Moreover, due to the nature of the talent management approach, the study mainly presents the Organization's perspective and the case under consideration; thus, the findings are presented as their own understanding and perception. Therefore, it is important to take the above limitations into account while referring to the research.

1.8 Operational Definition of Terms

- **Talent Management:** Talent management to be associated with typical human resource practices such as recruiting, selection, training, development, and career and succession management (Heinen & O´Neill, 2004).
- **Training:** It can be taken as a systematic process of enabling employees to have the appropriate experience and skills for present and future roles through evaluating their critical roles within the organization by identifying and assessing possible successors (Pascal, 2004)
- **Career Development:** Rather than what position is filled, where the individual employee's career choices and development are in focus (Lewis &Heckman,2006)
- **Employee Engagement:** Identifying strategic competencies for an organization and incorporating them throughout the various HR processes such as recruitment, selection, training, job evaluation, etc. of the company (Kesdee, 2013).
- **Competency Mapping:** Identifying key competencies for an organization and/or job and incorporating those competencies throughout the various processes that is job evaluation, training, recruitment) of the organization (Kesdee, 2013)

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- **Employee retention:** The Company's practices which stimulate an employee to stay in the organization for a longer period of time. Employees' retention is also the effort by an employer to keep desirable workers in order to meet business objectives (Walker, 2007).

1.9 Organization of the Study

This study has five chapters. The first chapter talks about the background of the study, statement of the problem, general and specific objectives, research questions, scope of the study and limitations of the study. The second chapter deals with review of literature, empirical studies and conceptual framework of the study. The research design, target population, sampling methods, sample size, data collection instruments applied well as method of data analysis and presentation. In the fourth section of the research, demographic characteristics, descriptive and inferential statistics analysis, findings and their interpretations were done. In the last chapter, a summary of findings, conclusions and appropriate recommendations are presented.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Literature

2.1.1 Definition of Talent

Many researchers have provided various definitions for the term "Talent" from different perspectives. Definition adopted depends on the strategy that is used by the firm, the nature of the Organization, the environment that the firm competes in and other elements (CIPD, 2007). As Tansely (2011) wrote in his article, there is not a universal definition of "talent" in all the languages. Meaning of talent depends on the language that is shared in the Organization. For example, Morton (2004) believed that talents are those individuals who are capable of making a major transformation to the function of a company. Goffee and Jones (2007) supported Morton's definition that talent is a handful of employees' knowledge, skills and philosophies, which have the capability to create unusual values for the Organization from the existing resources. Many more have given their definition on what talent means and what such individuals should possess. In general, as per the definition of Chartered Institute of Personnel and Development (CIPD), 2007) Talented people are those who are capable of making the greatest difference in the firm, by representing their innate potential in the current and future performance of the Organization (CIPD, 2007). From these definitions of talents, it can be concluded that talent represents the best people for the job in an organization and who would contribute most to the achievement of its strategic goals.

2.1.2 Models of Talent Management

The theory of TM is increasingly developing within the framework of different models and theories related to employee retention. According to Bernsen and Associates (2018), talented people maintain in the organization motivated by external and internal rewards as different employees have distinctive beliefs, values and attitudes about what motivates them.

The theoretical framework discusses models and theories on the effects of talent management on employees' retention in organizations. A theory is a set of statements of principles devised to explain a group of facts or phenomenon especially one that has been repeatedly tested or widely accepted and can be used to make predictions about natural phenomenon (Kagwiria, 2014). For talents to be cultivated, an employee must be able to experience both intrinsic and extrinsic rewards from their job. Motivation is a hidden force to enable organizations to keep talent; what people view as motivation is grounded in their values, beliefs and attitudes which can vary among individuals (Arnold, 2008). Should the employee find his/her job interesting and challenging, they will exert all the necessary effort in doing the job and therefore increase productivity. In an attempt to explain the relationship between talent management and employee retention, the researcher focused on seven theories as debated by various researchers: Resource based view (RBV), Social exchange theory, Adam's equity theory, Social cognitive career theory, Herzberg's Motivation-Hygiene theory, Person – environment theory and Talent DNA Model, all of which are relevant to this study.

2.1.3 Dimensions of Talent Management

Every organization today is interestingly concerned with selecting and retaining competent, committed people who are exclusively known as knowledge workers (Iles, 2010). Retention policies are designed to ensure that people remain as committed members of the organization. The outcome of these is a talent flow that creates and maintains the talent pool. Firms seek to ensure that hired employees will perform well and make positive contributions to firm performance as well as stay in the firm for a reasonable period of time (Agarwala, 2007; Njoroge, 2012). Gupta (2006), indicates that in the era where global business is key, every employer has to be ready for meeting the future business demands, which can be efficiently handled through talent management. Retention of staff is a major component of talent management and an organization's retention strategy needs to have information about why people leave the organization. As organizations continue to pursue high performance and improved results through talent management, they are taking a holistic approach to talent management. Some of the factors in this approach are reviewed below.

2.1.3.1 Competency Mapping

In today's competitive world, competency mapping has become particularly imperative to build on the competitive capability of a given business. There are much more underlying assumptions about business strategy over the past two decades, particularly regarding what competencies a business needs to have in order to compete in a specific environment. Firms that possess inherent strengths that are core competencies are likely to have an edge over others (Sanghi, 2007). More often than not, competencies are an organizations most important resource because they are rare, difficult and valuable to imitate. Firms can capitalize on this resource; after identifying them (competency mapping), they can make decisions on how to exploit and also expand them. Competency mapping is becoming an important HR tool today.

Competency mapping is a process that recognizes or identifies an individual employee's strengths and weaknesses so as to help them better recognize themselves. It is a process through which one assesses and determines one's strengths as an individual taskforce and in some cases as part of an organization. it generally encompasses these two areas: strengths of an individual and its organization in areas like team structure, leadership and decision making. It consists of breaking a given position or role into constituent's activities and identifying the competencies (conceptual knowledge, attitudes, behavioral, technical, managerial skills, etc.) needed to perform the same successfully (Agarwala, 2007). In the current economic environment, there has been a paradigm shift from 'quantity to quality' of talent. The present global economy demands innovative approaches in handling the talent in a firm through competency-based HR practices.

As HRM is undergoing a major transformation in today's organizations, HRM practitioners are expected to be experts in leveraging human talent within their organizations for the aim of achieving competitive advantage. Competency-based HRM is increasingly being recognized as an effective way of talent management over the previously adopted job-description related approach. It involves a translation from traditional HR based on what people have (e.g. skills and abilities) to what people can do (performance). Effectively mapped competencies translate the strategic vision and goal of the organization into behavioral actions that staff must display.

The success of any talent management strategy depends on a well-defined roadmap that supports a long-term vision (Lathitha, 2012). The long-term firm's vision will facilitate in assessing its current talent. HRD aims at consistently assessing competency necessities of different workforces to perform the tasks effectively and provide opportunities for developing these competencies for preparing themselves for future roles in the organization. Competencies are the first building blocks to talent management. By identifying the critical competencies existing with high performing employees, the other staff can also be motivated to do the same by conducting training & development programs.

Anatoui (2007), identified the importance of competency-based recruitment practices. His argument states that attraction and selection of talent requires a flexible and well-designed competency-based recruitment system as a starting step towards the management of talent in any organization. Once the recruitment system is streamlined, the second phase of talent management will be proper training and development of the employees.

Competency based talent management is an important strategic approach of any organization as it has an impact on the employer's ability to attract talent, retain and ensure optimal level of performance in meeting the organization's strategic objectives. Competency mapping helps organizations make sure they are recruiting, selecting and managing talented people in the most strategic way, putting the right people in the right jobs with the abilities to perform at their maximum potential every day (Bryan, 2007). Modern societies are characterized by rapid technological changes and an exponential increase in availability and accessible knowledge. With liberalization and global economic activities, the need to develop skilled HR of a high caliber is imperative. Employees are not only expected to possess relevant domain-specific knowledge, but also to use this knowledge to solve increasingly complex problems as well as acquire new knowledge. In the knowledge and service-based sector, the quality of talent is almost the utter point of leverage that a company has to innovate its competitive advantage.

Competencies combine knowledge and skill; they represent both the underlying knowledge base and the set skills required to perform useful actions. The purpose of talent management is to ensure that a company has the right talent with the right skills at the right time. organizations need to learn to manage tomorrow's opportunities as they manage

today's businesses, therefore building core competencies has become essential for building competitive advantage (Guthridge, 2008).while staffs need to understand how to be effective in their current roles, deliver specific business challenges and pull together a personal development plan for shaping future careers, organizations have to identify areas for internal development and strategize how best to utilize the talents necessary for ensuring future success (Farah, 2009). He also discussed the performance of companies and concludes that performance depends mostly on the quality of their human resource.

For obvious economic and business reasons, organizations have always been concerned about the competence of its people. There is a large diversity in the understanding of the term 'competency' and as a result, consensus on the definition of the term does not exist (Sanghi, 2007). For this study, competencies will be looked at an underlying behavior of an individual that is related to effective performance in a job. This is especially significant in a recessionary environment where human capital is one of the most vital assets of an organization and needs to be cultivated. competencies will also be looked at as the sets of behavior patterns that individual manager need to bring into a position to in order to attract, select, engage, develop and retain talented employees in order to reach specific desirable business objectives of the firm. Competency is the capability of applying or using knowledge, skills, abilities, behaviors and personal characteristics to successfully accomplish critical work tasks, specific roles or operate in a given part or position.

Talent itself has little meaning unless it is woven into the weft and warp of corporate strategy (Sanghi, 2007). According to Mcgee (2007) efficient work with talents is based on building TM that will be in line with organizations business strategy. Only then the strategy of HRM key decisions can originate, suggesting whether and which activities of TM should be implemented. Strategy of TM is aimed at ensuring a fund of highly competent, committed, talented and loyal individuals able to contribute to achieving the current as well as future organizational requirements-talent pool. Of major importance are the competencies demanded to meet the future challenges of the organization (Ming, 2008). It is essential that these are identified and form the basis of appointments, career development and are closely related to the key result areas required by people in different roles in the organization.

The process of determining competencies required for a job is referred to as competency profiling, and the process of comparing job holder's competencies against the targeted competencies is called competency mapping (Kesdee, 2013). Competency mapping is a process of identifying key competencies for an organization and/or a job and incorporating those competencies throughout the various processes (that is: job evaluation, training, recruitment) of the organization (Kesdee, 2013). Competency mapping also identifies performance criteria to improve the accuracy and ease of the hiring and selection process.

It provides a clear foundation for dialogue to occur between the manager and employee about performance, development, and career-related issues (Kesdee, 2013). Competency mapping identifies the success criteria (i.e., behavioral standards of performance excellence) required to be successful in their role, Arnold (2008). It supports a more specific and objective assessment of their strengths and specifies targeted areas for professional development. Core competencies are essential to competitive advantage building because advantages emanating from the product – price-performance - tradeoffs are almost short term.

According to Arnold (2008), competencies create an environment that fosters accountability and performance evaluation that is consistent and equitable. Competencies need constant updating because career development is an ongoing process and employers expect more and broader competencies from their employees. In conclusion, unlike other resources, human beings are the only asset that can be appreciated with useful inputs. Competencies provide the reason for designing and implementing that will enable HR to continually add value to its firm. Based on this notion, the following hypothesis is proposed as:

> *H1 – competency mapping has positive and significant effect on employee retention*

2.1.3.2 Employee Engagement

Globalization has increased the workforce's mobility and employees are now expecting more from their employers than they previously did. The focus on talent is forcing organizations to adopt their business model so as to empower or engage their staff (Bakker and Demerouti, 2008). Contemporary business firms need employees who are

psychologically connected to their work, who are willing and able to immerse themselves fully in their roles, proactive and committed to high standards. Attracting and then retaining the talent would require renewed focus and energy on employee value propositions, with greater flexibility to attract increasingly diverse talent (Cheese, 2010). Employee engagement is key to the retention of talent and is emerging as a critical organization issue especially as businesses are recovering from the trauma of the global recession.

It is a dominant source of competitive advantage and thus has been drawn to its reported ability to solve organizational challenges such as decreasing turnover rates and increasing productivity. This is supported by (Kular, 2008) that firms with high levels of staff engagement report positive organizational outcomes. Employee engagement is viewed as an important construct because it has been linked to escalated retention of top-talent as an outcome of talent management processes.

Schaufeli and Bakker (2004), found that engaged employees are most likely to have greater attachment to their organizations and thus a lower tendency to leave the organization. the lack of employee engagement would weaken worker's long-term commitment to the organization making it even more difficult to attract, develop, align and retain highly talented employees (White, 2014). Employee engagement is therefore of vital significance to successful retention of talented people. Social exchange theorists have produced significant quantities of research that support the theory that the level of engagement demonstrated by an organization to the employee will have a direct impact on the commitment that employees show to the firm in return (Nyanjom, 2013).

Employee engagement is a complex concept. It has been extensively studied during the last three decades and many different definitions have been created by different authors (cook, 2008; Elegbe, 2010; Hellevig, 2012; Lindholm, 2013). However, one of the most glaring issues concerning the concept of employee engagement is that there is no clear definition as the ones given by scholars and practitioners vary. Macey (2008) defines employee engagement as a desirable condition which has an objective and implies involvement, passion, commitment, and focused effort/ energy so it has both behavioral and attitudinal components. Moreover, Macey (2010) states that it is the illusive force that motivates

employees to higher (or lower) levels of performance. Employee engagement is the level of commitment and involvement a staff has towards the organization.

No matter how the definitions differ from each other, it shows that almost all authors find it to be a very significant aspect in the sustainability of business and the success of its HRM policies (Cook, 2008; Lindholm, 2013). Schuler (2010) states that divisible factors of employee engagement are consistent with a lot of literature on the subject of employee engagement and that employee engagement could be a strong factor for firm performance success and has a significant potential to affect employee retention. He also indicates that there is a linkage between engagement and retention.

Preece (2006) studied 50 multinational companies and found out that the companies with high staff engagement levels outperformed the companies with lower levels of engagement. Employee engagement within an organization provides a competitive advantage as explained by the resource-based view (RBV) of the firm (Mclean, 2006) and hence there is need to continuously engage employees. The RBV points out those firms can develop sustained competitive advantage only by creating value in a way that is rare and difficult for competitors to imitate.

This approach requires that a firm be seen not through its activities in product market, but as a unique bundle of resources that are complex, intangible and dynamic (Mclean, 2006). They further posited that engaged employees are strong organizational assets for sustained competitive advantage and a strategic asset. These engaged employees are difficult to imitate and are unique to an organization thus leading credence to the resource-based perspective of the firm. A well-functioning organization is the product of its Healthy, committed and motivated employees.

Engagement takes place when employees are committed to their job. It involves loyalty, faith and pride in an organization, a willingness to advocate for his/her organization as a personal responsibility. Employee engagement has been defined as emotional and intellectual commitment to the organization (Baumruk, 2004; Scullion, 2010) or the amount of discretionary effort exhibited by employees in their job (Frank et al, 2004). Staff engagement tends to lead to staff performance, reduces turnover and improves the

wellbeing of employees (Griffith, 2004; Robinson, 2004). Firms that manage to create an involving and creative environment will definitely attain low employee turnover.

Robinson's (2004) asserts that creating an atmosphere that encourages participation from employees guarantees high levels of commitment, loyalty and dedication from employees to the firm. Employee engagement is foci to any organization that seeks to retain talented employees, state corporations in Kenya not being an exception. It is the key driver of organizational effectiveness as employees need to have a sense of belonging and share in the organization's vision and find their roles in the organization (Kennedy and Dain, 2010).

In other words, the employees may choose to engage themselves in varying degrees and in response to the resources they receive from their organization. Towers Perrin, (2008) states that there is a linkage between engagement and retention of employees. Towers studied 50 multinational companies and noted that those with high employee engagement experienced higher levels of retention. Organizations' TM strategy should contribute to employee engagement and effective recruitment as this will create a positive employer brand and employees will minimize turnover (Oladipo, 2014). Based on this understanding, the following hypothesis is proposed as:

H2 – Employee engagement has positive and significant effect on employee retention

2.1.3.3 Performance Management

Managing talent is key at all levels of performance management because without focus on performance it is hard to see how an organization can find competitive advantage through talent (Brayan, 2006), argue that many companies that understand the value of talented people put considerable effort into recruitment, then alienate their talent with poor performance management systems. They argue that few firms use talented staff in an advantageous way by creating work experience to develop their expertise.

A study by Thite and Russell (2010) on talent management practices in commercial state corporations in Kenya, sought to know if promotion from within was encouraged and if performance management was aligned to the need to nurture and retain talent. He found out that majority of the respondents were not sure of the practices on capability

development and performance management. Reilly (2008) has rightly stated that the key to effective talent management is the alignment of talent management philosophy and with the organization's employee's psychological contract. This can only be materialized when the goals of talent management are clear to the organization so that they act as torch bearers. In order to enhance organization's ability to survive through turbulent environment, most corporations take great care in managing the performance measures of their staff (Nyanjom, 2013). A properly functioning performance management system can address the challenge of retaining talent.

Lawler and Mcermott (2003), suggest that it is very difficult to manage human capital without a system that measures performance and performance capability. Organizations need a performance management system that can identify capabilities of its human capital so that they can effectively manage staff projects, implement strategic initiatives and manage development of their workforce. Measures of performance are also required to deal with performance problems and motivate performance excellence. Effective performance is the building block of an organization's human capital management system. The system is used in decisions regarding performance-based pay, employee development (by giving feedback on the strengths and weaknesses) and training and development efforts.

Performance management is a process for ensuring staff focus on their work in ways that contribute to achieving the organization's mission, which is indispensable for the organization (Fletcher, 2001). The identification of talents is made on the basis of assessment of the current performance and a forecast of their potential. It can be taken as the measurement of actually achieved results within those areas which the specialized individual is responsible and competencies understood as critical for the success of performed work. A forecast of potential is a prognosis for how many levels within the firm an employee can advance on the basis of their past and current performance appraisal, training and development, preferences in their careers and the current and planned levels of competencies. A performance management system benefits the organization by ensuring that the day-to-day activities of employees are aligned with, and promote the organization's goals.

The employee benefits by having regular feedback on performance and being provided with development opportunities to improve their performance. authors such as Buchner (2007), helm (2007) and Glendinning (2000) noted that performance management systems is crucial to organizational performance as it facilitates the organization achieving its vision and business objective, aligns the employee performance goals with the organization's strategic goals, ensures the individual has clarity regarding performance expectations, and is a prerequisite to developing a performance culture within the organization.

The results of this evaluation are then used to build the weak areas of an employee through identifying the right training an employee need. Performance management systems can be used to identify employees of high potential, formulate personal development plans, Connect ratings with a succession planning system or talent pool (Byham, 2001). The current study will adopt this later definition by Armstrong. Over the years' research has recognized the significance of context of performance. For example, Blumberg and Pringle posited that "performance is a function of capacity (ability, health, intelligence, education etc.), willingness (motivation, job satisfaction, status etc.) and opportunity to perform (tools, equipment, working conditions, and coworker and leader behavior)". Performance management is an ongoing, continuous process of communicating and clarifying job responsibilities, priorities and performance expectations in order to ensure mutual understanding between supervisor and employee (Jyostna, 2007).

Application of effective performance management systems helps determine the employee's work capabilities and this assists in assigning organization jobs tasks functions in accordance to the employee's unique capabilities. This increases the level of employee's job task functions and contributes greatly to increased level of employees' retention in the organization. Performance review is at the core of TM as it provides insight for reward systems, succession plans and staff development. It helps to evaluate competencies of the workforce and provides feedback to employees which is important to retention. Based on these facts, the following hypothesis is proposed as:

H3 – Performance management has positive and significant effect on employee retention

2.1.3.4 Employee Career Development

The emergence of new careers has highlighted the need for employees to be concerned with career development and employability. In a knowledge economy, developing competencies forms an essential part of organizational competencies. One of the key factors of the retention of skilled employees is the provision of training and development opportunities (Chitalu, 2011). Most organizations may use career management programs to assist their employees to properly plan their careers because it is believed that, generally employees react positively to career development and advancement opportunities (khan, 2010). According to Lewa (2010), Kimani and White (2009), talent management emphasizes on growth from within and development as key elements of business strategy, maintaining career paths, coaching, clear competencies, mentoring and demanding quantifiable results. Today's employees are more career conscious than ever. They are demanding more in terms of personal growth and development. Developing high potential individuals presents one of the means by which organizations can face their competitive pressures.

The fact that high-potential employees are career-minded is important for organizations to create an employee value proposition that supports career development. According to many career authors, organizational career management supports the development of employee commitment (Robbins, 2014). When organizational career management practices meet employees pre-joining expectations, this will enhance commitment, satisfaction and other positive outcomes. According to (Lubitsch, 2007), the shift away from a psychological contract that provided job security and a mutual employment relationship, towards one where individuals have to maintain their' employability' through managing their own development and career progression has undoubtedly shifted the balance of power towards talented professionals. Organizations that fail to allow employees to meet their individual needs will be losing valued employees.

Career development is an approach of an organization ensuring that people with the qualifications and experience are available when needed (Kleiner, 2001). Using a career development approach employers can coach the employee in his individual career planning, and by realizing the plans of employees can plan the allocation of human

resources. Thus, the career development is perceived as a joint effort between the individual employee and the organization. Mathis (2006), indicated that career development plans for employees play a vital role in the retention of employees. Providing career development opportunities restrict employees from leaving the firms and increases loyalty.

The world of work has also undergone changes in both the nature of work and the emergence of new forms of work, which result from innovation, the development of new knowledge, increased competition and other factors (brown, 2003; Robbins, 2014). Social developments such as continuing globalization, technological innovation and growing global competition place pressure on organizations to emphasize their need to maintain their competitive edge at least in part through maintaining their skills. This need makes it important for an organization to evolve through continuous learning and development. There is also a shift from commodity-based economy to knowledge –based economy in which an increased proportion of organizational assets are intangible.

Although salary and benefits play a role in recruiting and retaining employees, people are also looking for opportunities to learn, the challenge of new responsibilities and the prospect of personal and professional growth (Arnold, 2008). Satisfying these intrinsic needs helps build trust, morale, loyalty and overall satisfaction in employees, (Nunn, 2000). There has been a shift from job security and lifelong employability to lifelong learning and talent management (Robbins, 2014). It is therefore important to give employees opportunities to develop and learn (Arnold 2008; Bernsen, 2009; Herman, 2005) such that employees maintain their capabilities as effective employees, resist redundancy and are retained by their organization.

Garrow and Hirsh (2008) define the term talent management as encompassing career development by the organization's HR taking up the responsibility of developing human capital. Research shows that opportunities for training and development have a significant (perceived) ability to retain talented people and in line with the psychological contract, high performers often perceive development as a benefit which they are entitled. When employees perceive a constructive and individual return from the training they receive,

their organization usually gains in the form of increased commitment, employee satisfaction and retention.

The primary goals of many employee development programs is to communicate the vision of the organization, help workers understand the corporate values and culture, and show employees at every level how they can help the company succeed. They exist in order to support business's strategic goals by providing learning opportunities and ingraining the organizational culture. Although the need for technical training in a specific position will never disappear, understanding an organization's culture and fitting into it are becoming increasingly important for employee success. The talented people are very ambitious and they expect a high development of their career and they demand the help of the firm planned to achieve that development. Hence, they will stay in the firm only if the employer gives them every opportunity to develop their potential. So retention is about motivation, commitment, career project and also rewarding. Organizations with high levels of engagement provide employees with the opportunities to develop their abilities, learn new skills, acquire new knowledge and realize their potential (Davis, 2007).

Learning and development programs are essential components in the process of talent management, ensuring that people acquire and enhance skills and competencies they need (Armstrong, 2005). Unlike in the past when employees had clearly defined career paths and jobs-for – life, the trend emphasizes employability, self-development and individual responsibility for career development (Robbins, 2014). Building employees' capacity thus, drives our attention to the importance of providing effective professional development for employees (Robbins, 2014). For employees, a prospect for constant learning weighs heavily in their decision to remain in the profession. Employees with good career opportunities in their organizations are more likely to feel an obligation to their employing organization and develop a strong emotional attachment to the organization (Meyer, 2000). Based on these ideas, the following hypothesis is proposed as:

H4 – Career Development has positive and significant effect on employee retention

2.1.3.5 Employee Retention

Retention of talent remains a primary concern for many organizations today. Hiring a knowledgeable workforce for the job is essential for an organization but retention is even more important (Nyanjom, 2013). Retention is a voluntary move by an organization to create an environment which engages employees for long term. Employee retention encompasses talent management which is the use of an integrated set of activities to ensure that the firm attracts, retains, motivates and develops talented people it needs now and in the future. The main purpose of retention is to prevent the loss of competent staff from the organization which could have an adverse effect on productivity and service delivery.

Employee retention is another area where consistent processes can help the HR function to identify clusters of key talent, set retention benchmarks, apply retention strategies and then evaluate and refine overtime. The objective of any organization is not only to recruit personnel but also to maintain, develop and retain such manpower. Organizations ought to put in place effective manpower retention mechanisms to retain their staff. The retention plan should address each of the areas in which lack of commitment and dissatisfaction can arise; these would include pay, jobs performance, training, career development, commitment, and conflict with managers, lacking group cohesion, recruitment, selection promotion and over marketing. As an element of talent management, talent retention implies that the organization intends to retain its most talented employees or those employees that will likely leave.

By taking a proactive approach to develop an effective employee retention program, the anxiety of high turnover can be reduced. True employee retention takes time, effort and resources (Nyanjom, 2013). Empirical evidence suggests that the environment of well-defined organizational goals and objectives influence employee retention.

2.1.3.6 Relation between Talent Management and Employee Retention

The reviewed literature showed evidence for the relationship between talent management practices and employee retention. Talent management helps to increase the employee retention in the organization, provide contribution for a good performance management system and resulting meaningful work. Once employees leave the organization, replacing the skilled labor is very difficult for an organization. Then talent management helps to

retain the best employees in the firm and to motivate and attract them. This literature thus provided evidence for this significant impact created by TM practices on employee retention in their findings.

Competency mapping is also a process through which a firm assesses/ determines one's strengths as an individual worker and in some cases, as part of an organization. The individual's level of competency in each skill is measured against a performance standard established by the organization (Nyanjom, 2013). in competency mapping, gaps are identified between requirements and capabilities, employees' expectations are defined in a way that is measurable, objective and defensible and behavior targets are set to encourage employees to go above and beyond expectations. It is a requirement to reinforce corporate strategy, culture, and vision. Organizations have to assess whether there are available employees with key already identified competencies needed in the future.

Competencies required for a particular job depends on many factors some of which include; social culture, nature of the business, business environment, organizational culture, work environment, organizational structure, duties and responsibility, nature of processes and assigned activities, attitude and motive of colleagues, superior and subordinates. Some of these factors may change with time and thus changing competency requirements for the same job position in the organization (Ming, 2008). Unlike other resources, human resource is the only asset that can appreciate with useful inputs; competencies can provide the reason for designing an organization that will enable workforces to continually add value to its firm.

It provides a common ground of the scope and requirements of a specific role and common, organization-wide quality for career levels that enable employees to move across business boundaries. Employee engagement has also been cited by a number of researchers as having an effect in the relationship between its antecedents, job satisfaction, and intention to leave or stay in an organization. Becker, (2011), attests that lower retention, high absenteeism and poor productivity are attributed to weak employee engagement. According to Hellevig (2012), employee engagement is about the means to achieve the firm's strategic objectives by building the conditions for employees to thrive and each staff member to 'fully switched on their best efforts in the best interest of the business' (hellevig,

2012; Lindholm, 2013). Saks (2006), argues that the extent to which an increase in the motivating potential of a job is likely to correlate with a decrease in intentions to quit would be determined by the extent which engagement is experienced by the employee.

Organizations with higher involvement levels tend to have lower employee turnover, higher productivity, higher total stakeholder returns and better financial performance. According to research done by towers and Safian (2012), there is a linkage between engagement and retention. The research was conducted among 50 multinational companies and over a period of 12 months, the companies with high level of engagement outperformed the ones with low engagement level and these companies also experienced higher levels of retention.

After 25 years of research, Gullup (2005) put forward that a high number of engaged employees will help an organization attract more talented people while disengaged employees will cost the organization such as lower productivity, higher absenteeism, recruitment and training costs Ologbo, (2012). In their research, individual factors of employee engagement and concluded that employee engagement could be a strong factor for organizational performance and success as it has a significant potential to affect employee loyalty, productivity and retention (Ologbo, 2012). Mokaya (2014) emphasized the importance of having an aggressive compensation system. They stated that such compensation is obviously basic to pull in and hold top talented employees while organizations similarly progressively notice that money-related motivating forces are just a single component of accomplishment. Thus, every worker should be eligible for an aggressive compensation and any organization should pay for any work to draw in and hold the best performing worker. The organizations should audit the work inside and follow bonus schemes and insurance plans as compensation strategies. Both retention and motivation are enhanced when Workers are offered pay and advantages (Preece, 2006).

Career development as a succession planning is the procedure of anticipating the progression of picking the following capable group. The fundamental concern of such associations is to determine future hierarchical requirements. It evaluates and develops performance to identify potential talents of associates. Oladapo (2014) determined that the next possible workforce would create motivation for existing employees and create

opportunities to develop potential capabilities. Obviously, employees find a chance to stay at their workplace. Thus, the organizations should plan to properly place employees with their right talents at the right time.

Succession planning motivates the workforce and emerges organizational best practices and culture. Thus, organizations can identify the leadership talents and create opportunities to promote such employees. Literature provided evidence for retaining and protecting the workforce by succession plans and high managerial commitment in recruitments. Employees assigned with high potential can exploit different initiative advancement programs. Mokaya (2014) proposed that preparing projects, assessments, and training alone are inadequate. Organizations need to meet expectations through their own ability. Therefore, they need to invest in training and development programs.

It creates advancement inside the organization and empowers employees through improving their abilities. This enables organizations to retain employees. Many organizations believe that training and skill development are motivating their employees. Benchmarking processes are used for some training programs to give high quality orientation, analyze organizational values and implement them to hold their talented employees within the organization.

2.2 Empirical Literature

In this era of globalization where talent and brain power are becoming predominant, managing talent has become imperative for business success. The concept of talent management gains strategic importance in HRM since talent can make a significant difference to the current and future performance of an organization. Extant studies indicate that the competition of talent has become intense due to labor market shortages and glowing global competition. Literature reveals that firms have focused on TM and understand that it is aligned to the staffs with the vision and mission of the organization which ends up with better results to the organization and enhanced employee retention. This view is shared by the by Oladapo (2012), who indicates that the war of talent has become intense due to labor market shortages and glowing competition.

Any employer's foremost responsibility is retention of the best employees and this can be achieved by managing employee talent well to keep them satisfied and motivated. he recommends that to attract and retain the best talent anywhere in the world, an organization must have strategies for managing those talents for achieving competitive advantage. this view is also supported by a study by Karemu, (2014), on critical analysis of talent management on medical employee's retention in public hospitals in Kenya, which indicated that talent management strategies impact positively on the retention of doctors and nurses at Kenyatta national hospital. The studied variables were career development, compensation & benefits attractiveness, nature of work climate and levels of training & development.

The data obtained from the study indicated that talent management strategies impact positively on the retention of doctors and nurses at Kenyatta national hospital in Kenya. Availability of career development opportunities showed the highest significant relationship with retention. a unit increase in career development opportunities would lead to effects in retention of with the findings of the current study which shows career development playing the greatest role in TM and staff retention.

Guthridge (2008) investigated factors affecting talent management in state corporations. The study used stratified random sampling to select 224 staff doctors and nurses in Kenyatta national hospital in Kenyatta. These findings concur of Kenya power and lighting combat limited. The regression coefficients of the study indicated that recruitment and selection, developing and compensation have positive and statistically significant effect in integrated talent management at Kenya power and lighting company in Kenya.

The study found out those factors such as organizational culture, reward, career development and workforce environment significantly affect implementation of talent management. Bano (2011) studied talent management in the corporate sector of Islamad, Pakistan and found out that talent management has a positive, significant influence on employee attitudinal outcomes and organizational effectiveness like employee work engagement, turnover avoidance and value addition. They concluded that organizations which are enthusiastic for gaining competitive advantage over their business rivals need to manage their talent in a vigilant and effective ways.

Research carried out by Alicja (2007) to diagnose the status of TM practice in polish companies practice received replies from 36 companies, indicated that over 50% of the companies' diagnosed problems of talent and talent management. More than 25% of the respondents pointed out that talent is addressed and resolved on ad-hoc basis while another 25% of the companies are in the process of developing talent management strategy. In Sweden, a study called TM barometer conducted by Tidskriften HR consulting company in 2012, a set of respondents comprising of 40% human resource managers, 30% human resource professionals and 30% managers, showed that very few (16%) are satisfied with their present TM and agree that more resources need to be placed on this in future.

Over half of the respondents agree that talent management one of the most important issues today, while 81% think it will be a growing concern in the future. Alicja (2007) in their study on strategies and practices of talent management and their impact on employee retention and effectiveness in India concluded that talent management is one of the primary management tools in the 21st century human assets management. The prime focus of this study was to analyze the talent management initiative taken by HR professionals and find out the effectiveness of such initiatives to the satisfaction level of employees leading to employee retention.

The study revealed that the age of the employees is independent from the employee satisfaction and retention. However, experience was found to affect the satisfaction level of employees with practices of talent management. These findings are contrary to the findings of the current study that revealed that there is a significant positive relationship between employee's age and retention. This study provided useful insights as to the relation between performance management and TM and retention.

A study by Aguinis (2013), recommended that organizations use performance management systems to create and maintain individualized development plans (IDPS) for top performers. IDPS are agreed upon, individually tailored courses of action to be taken by both the manager and the employee to improve performance. Individualized development plans are a valuable weapon in the struggle to retain top talent as they provide a structure via which employees receive managerial mentorship, ensuring that the objectives of personalized development plans are met. This improves retention of top talent by providing

the learning and development opportunities that top performers seek (Allen, 2010). Gorvaerts, (2010), in an exploratory study to identify ways to retain talent conducted in professional organizations, collected data from a sample of 972 employees. They concluded that to retain employees, it is important to pay attention to learning and development of the employees. Learning and development of employees plays a key role in talent management strategy. This kind of management practices leads to satisfied employees which lead to retention. This study supports the current study whose findings indicate that career development of employees is crucial in talent management and retention. Anand (2004) explored to understand the talent management innovation, practices and process in a major telecom company in India. The researchers revealed the process of effective management of talent pool which led to enhanced employee engagement and reduced attrition and proportionately increase the average tenure of employees.

It further concludes that every organization in whatever sector it serves should have defined capabilities in terms of skills, knowledge, ability and behavior. A gap analysis should be conducted by assessing every employee's competency profile and correct if there are any deficiencies that exist between the actual and the desired current performance. The study also concludes that talent management should be made mandatory as it fosters a lot of innovative ideas to an organization which ultimately leads to its growth and success.

Thus, implementing an effective talent management strategy, firms can ensure that the right people are selected at the right time for the right job. Employee engagement is key to talent management which various researchers have recommended as an area of rigorous research (Bennet and bell, 2004; Cartwright and Holmes, 2006). Schuler (2010) investigated talent management strategies and employee engagement implemented in three leading cement companies in Thailand.

The objectives were to investigate the talent management strategies implemented in the cement companies and to investigate the factors influencing employee engagement. The study revealed that robust talent management planning, support of management; work-life balance and other environmental factors were crucial factors to keep talent rooted to organizations. The study findings indicated that recruitment of talent is heavily emphasized

as the most significant process in managing talent because firms believe in a concept of great input-great outcome.

These findings are supported by a concept of (Lewis, 2006) who views talent management as a new term for succession planning; hence many firms concentrate on recruitment of talent. the study concluded that talent management depends on many factors and therefore recommended a management team to make efforts to build effective, practical and holistic talent strategies that are not only able to attract talent but also address employee engagement as key thus boosting productivity. Preece (2008), indicates that there is a linkage between engagement and retention. He studied 50 firms and found that the companies with high engagement level outperformed the firms with lower engagement level.

Mendez and stander (2011) further emphasize that a company needs to invest in employee retention in order to be successful. many studies have indicated that in today's rapidly moving dynamic, uncertain and highly competitive global markets, firms worldwide are facing major decisions and challenges in the global talent management (Schuler, 2011; scullion, 2010; Schuler, 2011). as a result of a highly competitive market, companies are discovering that, not only is it becoming increasingly difficult to recruit top talent, but that they are running the constant risk of losing the ones they have to competitors (Mathis, 2006).

Kidane (2017) conducted an exploratory study to identify the effect of talent management on employee turnover intention in Ethiopian management institution. Based on the data collected from 151 sample respondents (employees), results of the finding revealed Learning and development of employees plays a key role in talent management strategy. This kind of management practices leads to satisfied employees which lead to retention. This study supports the current study whose findings indicate that career development of employees is crucial in TM and employee retention.

2.3 Conceptual Framework

A conceptual framework is the diagrammatic presentation of variables, showing the relationship between the independent variable and the dependent variables. This

assessment was intended to examine the effect of talent management practices on employee retention. Talent management practices involve an extensive collection of activities that different organizations embrace to ensure the acquisition and maintenance of a highly skilled and knowledgeable workforce. These are methods employed by organizations to aid in retention of their employees (Armstrong, 2009). Based on the theoretical and empirical literature reviews, properly implemented talent management practices in business firms have a significant role in acquiring, developing and retaining a skilled workforce for a longer period. Therefore, in this study, talent management practices in terms of competency mapping, employee engagement, performance management and career development system is taken as independent variable while employee retention as dependent variable (Alice, 2019). This relationship is presented schematically as:
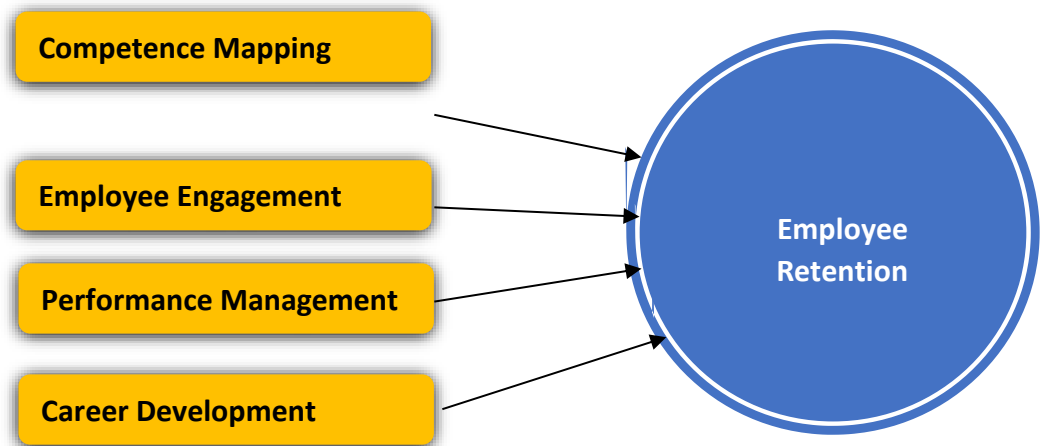
(Source: Adopted from Alice, 2019)

Figure 1 Conceptual framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Description of the Study Area

The target population for the study were through Stratified random sampling by selecting management and non-management stratum with an estimated population of 300 according to the information gathered from the Human Resource Database. The assessment was undertaken with its employees in Addis Ababa City. The research considered only a company that is working in the beverage industry among other companies who are engaged in the beverage industry. All of the employees were part of the talent management practice and are expected to be familiar with it as their daily operation is closely monitored and supported through an internal system within the company. Similarly, new entrants will also be part of the system. As a result, all the employees are under the aforementioned talent management practices.

3.2 Research Design

Based on purpose, research design is classified into three main categories such as descriptive, exploratory and explanatory research. Explanatory research design is applied as it is appropriate to realize the objectives of this study for the fact that explanatory research is used to establish cause-and-effect relationships between variables. It is a causal analysis concerned with the study of how two or more variables affect changes in another variable (Creswell, 2009).

3.3 Research Approach

For a comprehensive explanation and analysis of the issue; the research applied survey tools in order to administer a survey to the selected sample size of the case Organization to describe the characteristics of the opportunity/challenge that has risen as a result of the practice of the talent management practices used so far. By learning about how the different talent management methodology is practiced in the Organization, this method helps in

determining the implication of the talent management methodologies used towards employee retention. The results that were drawn as part of this study will also support further research.

The research approach for this study used a quantitative approach for the reasons that quantitative data were used to examine the relationship between talent management variables and employee retention. It involves the generation of data in quantitative form which can be subjected to rigorous quantitative/ inferential analysis in a formal and rigid fashion (Creswell, 2009).

3.4 Types and Sources of Data

The research was done using a quantitative approach with the aid of questionnaires. Primary data was mainly used in this research, i.e., data that was collected by the researcher for the purpose of addressing the research objectives. This primary data was obtained through questionnaires distributed to the employees. In order to assess the effectiveness of the practice of talent management methodologies in the Organization quantitatively, structured questionnaires were administered for both managerial and non-managerial employees of the organization. The study also used secondary source of data that obtained from various sources such as books, papers, journals, reports, etc.

3.5 Sampling Technique

Non-Probability sampling technique is used to select the targeted respondents. Using this technique each target population had an equal chance of being selected to selected as a participant in the research. This study applied it for the fact that there is the lack of access to a list of the population being studied and a time and cost constraint to apply another technique as well. Targeted population is categorized in to management and non-management staffs.

3.6 Sample Size

Sampling is the process of selecting a number of study units from a defined study population (Zikmund, 2010). It is economical to take a representative sample for the intended investigation when conducting a census is unrealistic. Since the number of the population is known, the simplified formula for proportion sample size is determined by the following formula as stated by Yamane (1967). Therefore, the formula to determine the sample size is:

$[n = N/ (1+Ne^2)]$

Where: N= is the population size

n= is the sample size

e= is the margin of error which 5% margin error

Assuming 95% confidence interval and the total population being 1200 permanent Hence:-

$$n = \frac{1200}{1+(1200*0.05^2)}$$

$$n= 300$$

Thus, the total sample size will be 300

Since BGI Ethiopia categorizes its employees under two strata namely management and non-management staff, their distributions based on the stratum are depicted in table 1 below.

Table 1 Sample proportion of stratum

Stratum	Population	Proportion	Sample proportion	Total
Management	17	1.42%	0.0142*300	4.26
Non-management	1183	98.58%	0.956*300	295.74
Total	1200	100%	1.0*300	300

3.7 Data Collection Tool

A survey questionnaire was used to collect the primary data. As suggested by (Creswell, 2009), administering questionnaires allows the researcher to collect data with low cost even when the universe is large and is widely spread geographically. Respondents who are not easily approachable can also be reached conveniently and large samples can be taken. Thus, the results could be made more dependable and reliable. The questionnaire has two sections. The first section covered the demographic profile of the participants; the second section is structured on a 5-point Likert scale (1- strongly disagreed, 2- disagreed, 3- neutral, 4- agreed and 5- strongly agreed) to show their degree of agreement to the sentences about the constructs under study. Study variables are identified as independent (TM dimensions namely competency mapping, employee engagement, performance appraisal and career development) variables and dependent (employee retention). It is adopted from a previous study of Alice (2019) about the same scale under study and modified to the manufacturing industry without modifying the basic concepts.

3.8 Data Collection Procedure

The research was conducted in person for the fulfillment of academic requirement. Validity of the questionnaire was tested in terms of adequate coverage of the topic, wording, coverage of desired variables and clarity. Then once the validity is confirmed, the questionnaires were distributed to the targeted respondents at BGI Ethiopia Addis Ababa plant. The self-administered questionnaires were disseminated physically in person as operational level workers have less tendency to use emails regularly. The contacted respondents filled the questionnaires accordingly after having their full consent.

3.9 Methods of data analysis and presentation

Both descriptive and inferential statistics were used to analyze the quantitative data gained through structured questionnaires. All the variables are coded and entered into the SPSS to analyze data obtained through questionnaires. Descriptive statistics are used to describe the usefulness of the data set and examine relationships between variables. To describe the

data, preliminary descriptive statistics such as frequency, percentages, mean scores and std. are computed.

Regarding the inferential statistics, multiple regression analysis is performed using the four selected talent management dimensions as independent variables and employee retention as dependent variables. Regression analysis is a statistical method to deal with the formulation of mathematical models depicting relationships amongst variables which can be used for the purpose of prediction of the value of a dependent variable, given the value of the independent variable (Kothari, 2004). The basic aim was to see the extent to which the employee retention is affected by the talent management dimensions in terms of coefficient of determination (r^2 value), the regression coefficient (beta coefficient) and the p-values for the significance of each relationship. Correlation coefficients were used to quantitatively describe the strength of the association between the variables. According to hair (2016) the Pearson correlation coefficient measures the degree of linear association between two variables. It varies between -1.00 to +1.00, with 0 representing absolutely no association between the two variables.

Empirical model, applied in this study, is formulated by the study applied multi-regression analysis model for testing the hypotheses drawn from the conceptual framework. To evaluate the relation, the multi-regression analysis for testing the formulated hypotheses is formulated as:

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

Where: y = overall employee retention; x_1 = competency mapping; x_2 = employee engagement; x_3 = performance management; x_4 = career development; e = error term; β_0 = constant, term; $\beta_{1, 2, 3, 4}$ = coefficient terms of the corresponding listed variables

3.10 Pre-Test

3.10.1 Validity Test

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Creswell, 2009). Content validity is the extent to which a measuring

instrument provides adequate coverage of the topic under study. if the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it.

Based on this definition, the content validity was verified by the advisor of this research, who looked into the appropriateness of the questions and the scales of measurement. In addition, discussions with fellow researchers as well as the feedback from the pilot survey were considered and checked for the appropriateness of the questions.

3.10.2 Reliability Test

The result was found to be in the acceptance range, alpha greater than 0.7. This shows as an indication of the acceptability of the scale for further analysis since all the four items of talent management dimensions (competency mapping, employee engagement, performance management, and career development) and employee retention attributes were above 0.7. The overall reliability score of the variables yielded r = 0.828 as shown in Table -2 below

Table 2 Reliability test result

	N	Cronbach's alpha
Competency Mapping	5	.701
Employee Engagement	5	.830
Performance Management	5	.712
Employee Career Development	5	.701
Employee Retention	5	.717

Total	25	.844

Source: own survey, 2022

3.10.3 Ethical Consideration

As part of the ethical considerations for conducting research, the participants were required to give consent to both the interview and the filling of questionnaires after the research purpose and process was explained to them. Verbal consent was considered necessary in this study. As this research is quantitative, it has benefited a great deal from open and natural communication. Additionally, the respondents' responses were used only for the study, without any adjusting, and were kept confidential.

3.11 Data Processing and Analysis

Data analysis is an application of reasoning to understand, clear and interpret the data or information that have been collected through the questioner (Zikmund,2003). Data collected from questionnaires were analyzed by using the SPSS window 20.0 version. Both descriptive and inferential statistics are employed to analyze data; descriptive statistics such as frequency, percentage, mean and standard deviation are used to describe the respondents" characteristics. Regarding inferential statistics, correlation analysis is used to show the degree of the relationship between independents and dependent variables. Regression analysis is also used to show the effect of independent variables on dependent variables.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

The practice of talent management and its impact on employee retention is evaluated by the research findings obtained and analyzed using descriptive and inferential statistics of the responses given. The interpretation and summary of the analysis are also presented accordingly. The results provide a detailed analysis of the data collected by a self-administered questionnaire which has two parts. The first part is the personal information of the respondents such as sex, age, education, service year, position, and department. The second section contains the attributes of the study variables such as talent management dimensions and employee retention.

After distributing 300 questionnaires for permanent employees of BGI Breweries, a total of 267 questionnaires were filled and returned, which accounted for 89% of the total distributed questionnaires. However, after having screened the collected questionnaires for missing data and other discrepancies, it was found that 233 valid and usable questionnaires were used for statistical analysis. Missing data frequently occurs when a respondent cannot respond to one or more questions of a survey. Mean substitution is a widely used method for replacing missing data, whereby missing values for a variable are replaced with the mean value based on all valid responses (hair, 2016). No mean substitution was applied as all the questionnaires with missing data were excluded. Then, collected responses were encoded into SPSS 21.0 and went through coding as well as error correction to make them suitable for the proposed technique of data analysis. Once the preparation was completed, the required analysis was carried out and the results are presented below.

4.1. Descriptive Statistics

The descriptive statistics provide information about the sample respondents under study. The results in Table -3 show that, out of 233 participants, female respondents comprised 101 (43.3%) and the rest 132 (56.7%) were their male counterparts. It implies that the proportion of male employees is more in number than female employees at the BGI brewery company.

Table 3 summary of demographic data

Characteristics	Category	Frequency	Percent (%)
Sex	Male	101	43.3%
	Female	132	56.7%
	Total	233	100.0%
Age	20 – 30 Years	77	33.0%
	31 – 40 Years	91	39.1%
	41 – 50 Years	45	19.3%
	51 – 60 Years	20	8.6%
	Total	233	100.0%
Education	High School and lower	54	23.2%
	Diploma	68	29.2%
	Degree	98	42.0%
	Masters	13	5.6%
	Total	233	100.0%
Department	Finance	6	2.6%
	Production	131	56.2%
	HR & Admin	6	2.6%
	Sales & Marketing	32	13.7%
	Supply & Material	19	8.2%
	Technic & Engineering	35	15.0%
	Total Quality Control	4	1.7%

	Total	233	100.0%
Position	Manager	6	2.6%
	Supervisor	11	4.7%
	Team Leader	19	8.2%
	Senior Staff	93	39.9%
	Junior Staff	104	44.6%
	Total	233	100.0%
Service Year	1 – 5 Years	126	54.1%
	6 - 10 Years	71	30.5%
	Above 10 Years	36	15.5%
	Total	233	100.0%
Monthly Income	< 10,000 Birr	141	60.5%
	10,000 – 20,000 Birr	65	27.9%
	> 20,000 Birr	27	11.6%
	Total	233	100.0%

(Source, own survey, 2022)

In terms of the age range of the respondents, 77 (33.0%) were found within the range of 20 – 30 years followed by 91 (39.1%) within 31 – 40 years and 45(19.3%) within 41 – 50 years but the rests 20(8.6%) of the respondents were elders within 51 – 60 years. This implies that around three fourth of the permanent employees were adults below 40 years old. This can be taken as the company having a more productive workforce and age distribution of the staff.

As far as educational background is concerned, as it is shown in Table -3, shows that 98(42%) of the respondents were first degree holders followed by 68(29.2%) with diplomas

from college or technic and vocational education training (TVET) and 54(23.2%) were high school certified. but master's degree holders accounted for only 13(5.6%). This indicates that the majority of the participants were educated/ college graduates so that they could understand the questionnaire as well as the purpose of this survey.

Referring to their divisional enrollment, it revealed that 131(56.2%) were from the production department while 32(13.7%), and 19(8.2%) were from the sales & marketing and supply & material respectively. The rest departments such as HR & admin, finance, technical & engineering, and total quality management took the share of 6(2.6%), 6(2.6%), 35(15.0%), and 4(1.7%) respectively. This implies that employees engaged in the production department took the highest share, which is a phenomenon expected from Brewery companies.

The staff's tenure in the company revealed that 126 (54.1%) of the respondents were under 1 – 5 service years followed by 71(30.5%) who were from 6 – 10 years and 36(15.5%) were over 10 years. This indicates that the majority of the staff in the company had relatively lower service years. This implies that the breweries couldn't retain their employees for a longer period.

Regarding their positions in the company, junior staff constitute 104(44.6%) followed by senior staff 93(39.9%). But the rest of the respondents hold 19(8.2%) team leaders, 11(4.7%) supervisors, and 6(2.6%) manager positions. This implies that lower positions are more in number and such phenomena are also expected in any Brewery company with a high attrition rate.

Regarding their monthly salary, the results show that about 141 (60.5%) of the respondents were < Birr 10,000 followed by 65 (27.9%) who earned from Birr 10,000 - 20,000 salary range. The remaining 27 (11.6%) were > Birr 20,000 salary range. This indicates that almost all of the respondents were highly paid employees.

4.2. Description of Study Variables

This study constitutes talent management (independent) dimensions and employee retention (dependent variable). To attain the objectives, a total of 20 questions were

grouped into the four dimensions of talent management namely competency mapping, employee engagement, performance management, and career development. For the employee retention variable, 5 questions were designed based on the respondents' perceptions. Thus, a total of 25 questions were entertained to carry out the analysis.

To compare the respondents' perception of the aforementioned study variables, descriptive statistics (mean and standard deviation) are used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements of the self-administered questionnaire. As designed by best (1977), the measurement scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.61; neither agree nor disagree within 2.62 - 3.42; agreed if it is in the range of 3.43 – 4.23; while strongly agreed when it falls within 4.24 – 5.00. In addition, standard deviation shows the variability of an observed response.

4.2.1. Competency Mapping

Table 4 Descriptive statistics of competency mapping

Descriptive Statistics

	N	Mean	SD
The company undertakes a need assessment before recruiting/ selection	233	3.48	1.559
Managements carry out need assessments to identify training needs	233	3.71	1.739
Managers carry out a gap analysis to guide staff's development path	233	3.33	1.854
Tasks are fairly distributed based on specific competencies	233	3.47	1.689
HR managers assure alignment of the company's objectives with the required skill	233	3.41	1.864

	N	Mean	SD
Competency Mapping	23 3	3.48	1.177
Valid N (list wise)	23 3		

As far as the competency mapping practice of BGI Ethiopia, the results in Table -4 show that the majority of the respondents agreed with managers carrying out need assessments for identifying training needs (Mean = 3.71, SD = 1.739). However, they have different stands in this regard as the standard deviation is over 1.000. By the same token, they very slightly agreed with the company undertook a need assessment before recruiting and selection (Mean = 3.48, SD = 1.559); fairly distributed tasks based on specific competencies (Mean = 3.47, SD = 1.689); and HR managers tried to align organizational objectives with the required skills (Mean = 3.41, SD = 1.864). but neither agree nor disagree regarding managements' undertaking competency gap analysis to guide staff's development path (Mean = 3.33, SD = 1.854).

In general, the overall competency mapping practice of the company was perceived as slightly positive (grand mean of 3.48) which implies that the management of BGI brewery gave less concern to filling the competency gap between the company and its staff. Identifying an individual's strengths and weaknesses in order to help them to better recognize themselves is the area that needs more concern from the HR managers.

4.2.2. Employee Engagement

Table 5 Descriptive Statistics of Employee Engagement Practice

DESCRIPTIVE STATISTICS

	N	Mean	SD
Staff are given the opportunity to handle responsibilities outside of their domain	23 3	4.06	1.53 0

Staff are encouraged to participate in important decisions	233	4.12	1.525
Employees are encouraged to be part of their performance appraisal	233	3.62	1.680
The company provides employees with room for claiming their rights	233	3.66	1.725
Supervisors/managers actively involved in their staff's career development	233	4.30	1.334
Employee Engagement	233	3.95	1.231
Valid N (listwise)	233		

Source: Own Survey, 2022

Based on results in Table -5, shows that the respondents strongly agreed that supervisors or immediate managers were involved actively in their staff's career development (Mean 4.30); employees were encouraged to be part of their performance appraisal (Mean 4.12), and were given the opportunity to handle responsibilities outside of their domain (Mean 4.06). Meanwhile, they also agreed that the company provided them with room for claiming their rights (Mean 3.66), and encouraged them to participate in important decisions (Mean 3.62). In general, the results of the finding revealed that overall employee engagement practices in BGI companies were perceived positively (Grand Mean of 4.01) by the respondents. This implied that the management encouraged the employees to exercise their rights as well as to involve them in an important decision that might build their belongingness and commitment to the company in the long run.

4.2.3. Performance Management Practices

Table 6 Descriptive Statics of Performance Management Practice.

DESCRIPTIVE STATISTICS

	N	Mean	SD
The organization conducts performance reviews regularly	233	4.22	1.439
Performance reviews provide staff with accurate information about them	233	4.12	1.476
Staff are provided with constructive feedback based on their performances	233	3.49	1.822
Weaknesses detected in appraisal lead to training and development of staff	233	4.21	1.377
Appointments are done in a fair manner based on performance appraisal	233	3.12	1.942
Performance Management	233	3.83	1.109
Valid N (listwise)	233		

Source: Own Survey, 2022

Results in Table -6, show that the respondents strongly agreed that the company carried out employee performance appraisal regularly (Mean 4.22), through which it identified a weakness that might require further training and development (Mean, 4.21), and the appraisal reviewed provides accurate information (Mean 4.12). They slightly agreed that employees are provided with constructive feedback to them accordingly (Mean, 3.49) but neither agreed nor disagreed with internal appointments or promotions given based on performance results (Mean 3.12). Overall, the performance management practices of the

company were perceived positively (grand mean 3.83) even though they had doubts about its application on a fair basis. This implies that employee engagement is the level of commitment and involvement an employee has toward the organization that can be taken as a desirable condition that has an organizational purpose and connotes involvement, commitment, focused effort, and energy of the employees.

4.2.4. Employee Career Development

Table 7 Descriptive Statistics of Employee Career Development Practice

DESCRIPTIVE STATISTICS

	N	Mean	SD
The company has an efficient employee development strategy for all Staff	233	3.42	1.726
The company's career development policy is clearly outlined to all employees	233	3.69	1.619
Career development programs are offered based on an individual's need	233	3.42	1.860
The company's HR policy supports employee career growth	233	3.18	1.701
Supervisors/ managers frequently mentor staff to grow professionally	233	2.76	1.679
Career Development	233	3.30	1.159
Valid N (list wise)	233		

Source: Own Survey, 2022

Results in Table -7. show that the majority of the respondents agreed that the company's career development policy was clearly outlined to all employees (mean 3.69), career development programs were offered based on individuals' needs (mean 3.42), and the company has an efficient employee development strategy for all staff (mean 3.42). However, they neither agree nor disagree with HR policy's support for employee career development (mean 3.18). And supervisors/ immediate managers frequently mentored their subordinates to grow professionally (mean 2.76). In this regard, the overall employee career development practices of the company were believed to be doubtful (grand mean 3.30). This has an implication that managers gave due consideration or priorities to staff career development.

4.3. Inferential Statistics

The inferential statistics comprises a correlation test among study variables; an assumption (normality, Collinearity, and homoscedasticity) test of the collected data for their suitability or fitness to the intended multiple regression model; and finally, the regression analysis.

4.3.1. Correlation Analysis

To determine the relationship between talent management practices and employee retention, the Pearson correlation was first investigated. The four dimensions of talent management were taken as independent variables and overall employee retention was used as a dependent variable in this study. As per the guideline suggested by field (2005), the strength of the relationship between 0.1 to 0.29 shows a weak relationship; 0.3 to 0.49 is moderate; > 0.5 shows a strong relationship between the two variables.

Table 8 Correlation Test

CORRELATIONS

	COM	ENG	PER	ECD	ERT
Competency Mapping	1				

Employee Engagement	$.183^{**}$	1			
Performance Management	$.168^{*}$	$.129^{*}$	1		
Career Development	$.343^{**}$	$.212^{**}$	$.134^{*}$	1	
Employee Retention	$.473^{**}$	$.520^{**}$	$.321^{**}$	$.627^{**}$	1

**. CORRELATION IS SIGNIFICANT AT THE 0.01 LEVEL (2-TAILED).

*. CORRELATION IS SIGNIFICANT AT THE 0.05 LEVEL (2-TAILED).

Source: Own Survey, 2022

The result in Table -8 shows that overall dimensions of talent management had a positive and significant relationship with employee retention. Specifically, career development had a positive and relatively the strongest relationship with employee retention (r = .627, p<0.05). Following career development, employee engagement also had a positive and strong relationship (r = .520, p<0.05) with employee retention. Whereas, competency mapping (r = .473, p<0.05) and performance management (r = .321, p<0.05) have a positive but moderate relationship with employee retention. Having a significant relationship is an indication that the talent management dimensions are good predictors of employee retention. That means, their variations might bring significant variation in employee retention. The more the company works on developing its staff's talent, the retention of employees would increase as well.

4.3.2. Assumption Tests of Regression Model

Multiple linear regression is an analysis that assesses whether one or more predictive variables (predictors) explain the dependent (criterion) variable. The regression assumptions are correlation (linear relationship), Multicollinearity, multivariate normality, and homoscedasticity.

Multicollinearity – Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are

multicollinear, there is "overlap" or sharing of predictive power. Thus, the impact of Multicollinearity is to reduce any individual independent variable's predictive power by the extent to which it is associated with the other independent variables. "Tolerance" and "variance inflation factors" (VIF) values for each predictor are a means of checking for Multicollinearity A tolerance value below 0.1 and a VIF value over 10 percent indicate a Multicollinearity problem, (Robert, 2006).

Table 9 Multicollinearity Test Results

COEFFICIENTS

MODEL		CO-LINEARITY STATISTICS	
		TOLERANCE	VIF
1	Competency Mapping	.857	1.167
	Employee Engagement	.933	1.071
	Performance Management	.957	1.045
	Career Development	.855	1.169

A. DEPENDENT VARIABLE: ERT

Source: Own Survey, 2022

The results of the Multicollinearity test in Table-9, show that the Collinearity statistics analysis of variance inflation factors (VIF) value ranges from 1.169 to 1.045, and tolerance value ranging from 855 to 0.957 indicated that there was no Collinearity problem. This could be taken as a confirmation that there were no Multicollinearity problems to proceed with regression analysis. That means when the independent variables in this model were highly related to one another, they would have been basically measuring the same thing or they both convey essentially the same information.
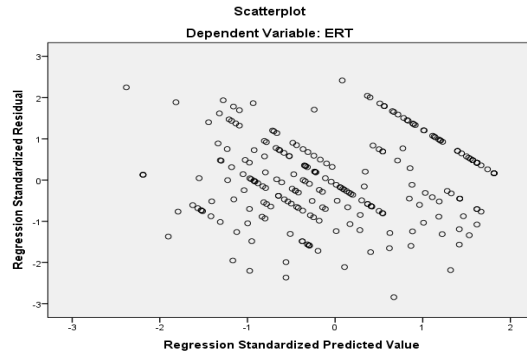
Figure 2 Scatterplot for Homoscedasticity Test

Homoscedasticity - Testing for homoscedasticity lies with an assumption in regression analysis that the residuals at each level of the predictor variable(s) have similar variances. Using the plots of ZResid against ZPred, the distribution checks whether the graph looks like a random array of dots evenly dispersed around zero. This means that at each point along with any predictor variable, the spread of residuals should be fairly constant. It shows that the overall employee retention is plotted against each predictor variable of talent management. The plot shows how the points are randomly and evenly dispersed throughout the plot. And, these patterns are indicative of a situation in which the assumption of linearity and homoscedasticity have been met.
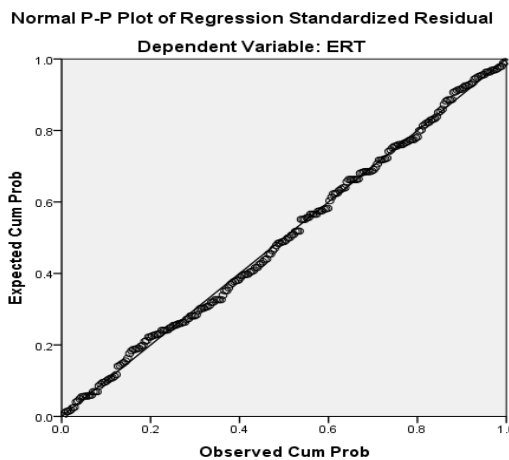
Figure 3 Scatter Plot for Linearity Test

Linearity Test - The first assumption of multiple linear regression is that there is a linear relationship between the dependent variable and each of the independent variables. The

best way to check the linear relationships is to create scatter plots and then visually inspect the scatterplots for linearity. If the relationship displayed in the scatterplot is not linear, then the analyst will need to run a non-linear regression or transform the data using statistical software, such as SPSS.
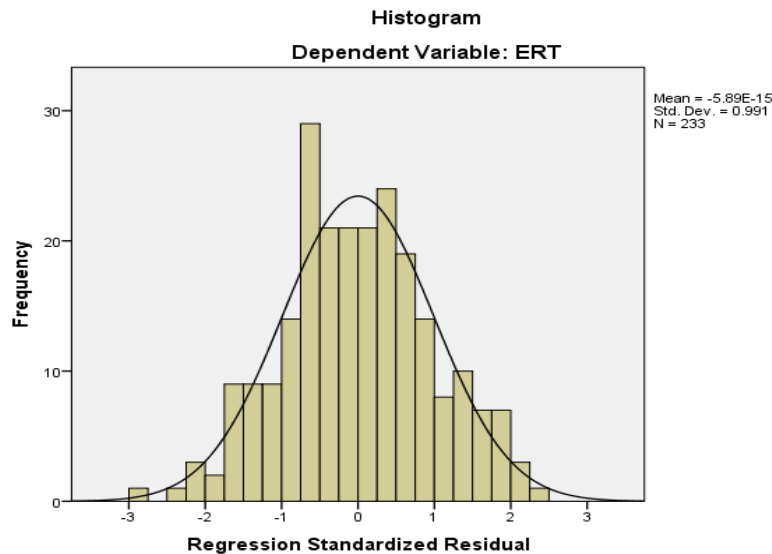

Figure 4 Histogram for Normality Test

Normality - Test of Normality is Another Assumption to be tested before running a regression test. The Normal Distribution is detected based on Skewness and Kurtosis Statistics. For a sample size above 50 responses are usually sufficient to ignore the assumption regarding Normal distribution (Weinberg, 2008). Test of normality is another assumption to be tested before running a regression. The normal distribution is detected based on skewness and kurtosis statistics. Since the sample size of the study exceeds by far the suggested number, it assumes normality by default. For further confirmation, a multivariate normality test has been carried out and found both skewness and Kurtosis within range. As proposed by George (2010), the acceptable range for multivariate normality for both statistics (skewness and kurtosis) is between -2 and +2.

Autocorrelation Test- Regression analysis is based on uncorrelated error/residual terms for any two or more observations (Kothari, 2004). This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables

residuals. It expresses whether the assumption of independent errors is acceptable or not and the desired result is when the value is closer to 2 (Field,2009).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.795[a]	.632	.626	.53417	**1.104**

a. Predictors: (Constant), ECD, PER, ENG, COM
b. Dependent Variable: ERT

In this study the Durbin-Watson value was 1.104, which is close to 2, therefore it can be confirmed that the assumption has been met.

4.3.3. Multiple Linear Regression Analysis

Multiple regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable. Regression analysis is a statistical method to deal with the formulation of a mathematical model depicting relationships amongst variables which can be used for the purpose of predicting the values of dependent variables and given the values of the independent variables (Kothari, 2004). In this study, multiple regression analysis was conducted to identify the relationship and to examine the most dominant talent management variables that influenced the overall employee retention in BGI Ethiopia.

Table 10 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.795[a]	.632	.626	.53417

a. Predictors: (Constant), ECD, PER, ENG, COM

As indicated in the model summary of the analysis, Table-10, the value of R (.795) indicated the overall correlation value of the talent management with employee retention, accounting for approximately 63.2% (R^2) of the variance in employee retention. However,

the remaining percent (36.8%) was explained by other factors. This result also revealed that there might be other variables such as organizational justice, corporate governance, work environment, location, etc. that could have been discussed by this study in predicting employee retention.

Table 11 ANOVA Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	111.783	4	27.946	97.938	.000[b]
1	Residual	65.058	228	.285		
	Total	176.841	232			

a. Dependent Variable: ERT

b. Predictors: (Constant), ECD, PER, ENG, COM

As indicated in Table -11 of the ANOVA test, the F-value of 97.938 is significant at $p<0.001$. Therefore, it can be inferred that with 63.2% of the variance (R^2), talent management is significant and the model appropriately measures the dependent variable - employee retention.

Referring to the beta coefficients, the regression model predicts overall employee retention and has been significantly explained by the four independent dimensions of talent management. The last output in the analysis of the multiple regression models represents the output for the beta coefficients of each talent management dimension. The regression equation for this research is presented below.

$$ERT = \beta_0 + \beta_1 CMP + \beta_2 EGT + \beta_3 PRM + \beta_4 ECD + e$$

Where, ERT = employee retention, CMP = competency mapping, EGT = employee engagement, PRM = performance management, and ECD = employee career development. β_0 = constant, β_1 to β_4 = beta coefficients, and e = error terms.

Table 12 Estimated Regression Coefficients

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.416	.180		2.308	.022
	Competency Mapping	.166	.032	.223	5.143	.000
	Employee Engagement	.256	.029	.361	8.682	.000
	Performance Management	.138	.032	.176	4.280	.000
	Career Development	.339	.033	.450	10.368	.000

a. Dependent Variable: ERT

Based on multiple regression analysis in Table -8, substituting the results in the model yields:

$$ERT = .416 + .223CMP + .361EGT + .176PRM + .450ECD + e$$

The regression analysis showed that each talent management dimension has a positive and significant effect on overall employee retention. Career development dimension ($\beta = .450$) has relatively the highest effect followed by employee engagement ($\beta = .361$). But competency mapping ($\beta = .223$) and performance management ($\beta = .176$) have relatively lower contributions to the prediction model. The results, Table -12, imply that all

dimensions of talent management have significant influences on overall employee retention at a 95% confidence level ($p < 0.05$), indicating that for employees of BGI Ethiopia, these factors are important in assessing overall employee retention.

1.1.1 Hypothesis Testing Results

Based on the ANOVA analysis and coefficient Tables, all the four dimensions of talent management (competency mapping, employee engagement, performance management, and career development) have a positive and statistically significant effect on employee retention as the F-value = 97.938. In these regards, the four proposed (alternate) hypotheses are supported by the fact that:

H_1 - "Competency mapping has a positive and significant effect on employee retention"

The first hypothesis (H_1) was supported as the beta coefficient of competency mapping equates to .223 at $p < .01$. Therefore, the null hypothesis is refuted as $p < .05$ and confirmed that competency mapping had a positive and statistically significant effect on employee retention.

$H2$ - "Employee Engagement has a positive and significant effect on employee retention"

The second hypothesis (H_2) was also supported as the beta coefficients of Employee Engagement were found to be .361 at $p < .01$. The null hypothesis is neglected as the p-value is less than .05, and then confirmed Employee Engagement has a positive and statistically significant effect on employee retention.

$H3$ - "Performance Management has a positive and significant effect on employee retention"

Similarly, the third hypothesis (H_3) was also supported as the beta coefficients of Performance Management were found to be .176 at $p < .01$. The null hypothesis is neglected as the p-value is less than .05, and then confirmed that Performance Management has a positive and statistically significant effect on employee retention.

$H4$ - "Career Development has a positive and significant effect on employee retention"

Finally, the fourth hypothesis (H$_4$) was also supported as the beta coefficients of Career Development were found to be .450 at p<.01. The null hypothesis is neglected as the p-value is less than .05, and then confirmed Career Development has a positive and significant effect on employee retention.

4.4 Discussion

The finding revealed that the Career development dimension (β = .450) has a positive effect and relatively highest significance on employee retention. The proposed hypothesis regarding the effect of career development on employee retention is supported as a p-value is less than .05. It implies that career development involves This finding is in line with Gorvaerts, (2010), whose findings illustrated that to retain employees, it is important to pay attention to learning and career development of the employees. Thus, one can conclude that career development of staff will help in increasing employee retention.

Next to Career development, employee engagement has also a relatively higher positive and significant effect on employee retention (β = .361). Based on this the proposed hypothesis has been supported. This result is also in agreement with Preece (2008), who explained the relationship between employee engagement and its strong impact on employee retention. Thus, the finding supported the significant and positive impact of employee engagement on employee retention and the reason why employees tend to stay loyal to their organization since a well engaged employee develops a sense of ownership towards its organization.

The findings also revealed the existence of relatively lower positive and significant effect of competency mapping (β = .223) on employee retention. This also justifies the support of the proposed hypothesis referring to competency mapping has positive and significant effects on employee retention. According to Anand (2004) every organization in whatever sector it serves should have defined capabilities in terms of skills, knowledge, ability and behavior. The gap analysis and competency mapping should be conducted by assessing every employee's competency profile and correcting if there are any deficiencies that exist between the actual and the desired current performance. Thus, the finding

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supported the significant and positive impact of competency mapping on employee retention.

The fourth variable proved by the analysis is Performance management. The result revealed that performance management has the least positive and significant effect (β =.176) on employee retention. According to studies by Aguinis (2014) and (Allen, 2010) Organizations should use performance management systems to create and maintain individualized development plans (IDPS) for top performers and this will in return the retention rate. The finding also shows that there is a positive relationship between performance management and employee retention.

Therefore, it can be concluded that Talent management practices like competency mapping, Career development, employee engagement and performance management have significant and positive effect on employee retention in BGI Ethiopia. Therefore, concerned managers should evaluate their talent management practices
to improve the overall employee retention of BGI Ethiopia.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

This chapter contains a summary of major findings, conclusions, and relevant recommendations in reference to the major findings.

5.1 Summary of Major Findings

Based on the results of the analysis findings, all the four specific objectives of the study are achieved. The major findings are summarized as follows:

Demography

The overall demography of the respondents was characterized by:

- Female dominant (59.7%),

- Adults (39.1%) between the age of 20 – 30 years,

- educated (34.8% first-degree holder),

- 54.1% with relatively lower tenure ranges from 1 – 5 years in BGI Ethiopia.

Specific objective – 1. The Effect of Competency Mapping on Employee Retention

- The managers in BGI carried out need assessments for identifying training needs (Mean = 3.71) but they have different stands in this regard (SD = 1.739).

- However, the respondents neither agree nor disagree regarding management's consideration of competency mapping to identify a competency gap analysis to guide staff's development path (Mean = 3.33, SD = 1.854).

- Competency mapping practice of BGI Ethiopia has a positive and moderate relationship with employee retention (r = .473, p<0.05).

- The effect of competency mapping on employee retention (β = .223, p< .05) was found to be relatively lower compared to career development and employee engagement.

Specific objective –2. The Effect of Employee Engagement on Employee Retention

- The results of the finding revealed that overall employee engagement practices in the BGI Company were perceived positively (Grand Mean of 4.01).

- The respondents strongly agreed that supervisors or immediate managers have been actively involved in their staff's career development decisions (Mean 4.30), and employees are encouraged to be part of their performance appraisal (Mean 4.12),

- The relationship between employee engagement and employee retention is positive and strong as is the correlation coefficient (r = .520), statistically significant at p<0.05.

- Next to career development, employee engagement has relatively the highest effect (β = .361, p< .05) on employee retention.

Specific objective –3. The Effect of Performance management on Employee Retention

- The respondents strongly agreed that the management carried out employee performance appraisal regularly (Mean 4.22),

- Overall, the performance management practice of the company was perceived positively (grand mean 3.83) even though the respondents had doubts about its application on a fair basis. They also neither agree nor disagree with internal appointments or promotions that were given based on performance results (Mean 3.12).

- Performance management has a positive and moderate relationship with employee retention (r = .321, p<0.05).

- The results of the findings also revealed that performance appraisal has relatively the least contribution to employee retention as β = .176, p< .05.

Specific objective –4. The Effect of Career Development on Employee Retention

- The majority of the respondents agreed that the company's career development policy was clearly outlined to all employees (mean of 3.69).

- However, they neither agree nor disagree with HR policy's support for employee career development (mean 3.18). and supervisors/ immediate managers frequently mentored their subordinates to grow professionally (mean 2.76).

- The correlation result revealed that there is a strong relationship between career development and employee retention (r = .627, p<0.05).

- It was also found that the career development dimension has relatively the highest contribution to employee retention (β = .450, p< .05)

5.2. Conclusions

Basically, this study was conducted to investigate the effect of talent management practices on employee retention in the case of BGI Ethiopia in Addis Ababa. The permanent employees of the company were taken under investigation so as to examine whether each dimension of talent management had a positive and significant effect on the retention of talented employees for a longer period. Based on the results of the analyses, the following conclusions have been made.

The overall talent management practices of BGI Ethiopia in terms of periodic and continuous competency mapping, provision of access for employee engagement, or participation in important decision makings influenced employee retention. The assessment of employees' performance periodically to manage the filling of skill gap with the required workforce, and developing staff's future career path has also a positive and significant effect on the retention of the employees or keeping them committed and loyal to their organization. All the four dimensions of talent management practices of the company were perceived positively by the employees and accounted for a significant variation in employee retention.

Finally, the employee career development practices which are believed to provide employees with the opportunities to develop their abilities and realize their potential, overall employee career development practices of the company were found to be satisfactory. This has an implication that managers give due consideration or priorities to staff career development through more effort and the organization's high involvement is demanded. In general, it can be concluded that talent management practices in the company are good predictors of employee retention for the fact that they revealed a positive and significant influence on employee retention. They can be taken as essential components in

the process of ensuring that people acquire and enhance the skills and competencies they need so as to retain and keep them loyal to their organization.

5.3. Recommendations

Based on the results of this study, the following relevant recommendations are suggested to BGI Ethiopia's HR and other concerned management in order to enhance their employee retention or mitigate their workforce turnovers. The possible suggestions are:

- Competency management had a significant and positive effect on employee retention. The employees believed that the management was highly concerned to fill the competency gap between the company and the staff but gave less due consideration to the gaps in their staff's career path. Thus, managers should align the competency mapping practices with employees' career development. This can be achieved by incentivizing them with relevant training or making them engage in educational institutes to promote their academic achievements.

- The practices of employee engagement in the company also had a positive and significant effect on employee retention. The concerned management encouraged their subordinates to exercise their rights but was somehow hesitant to involve them in an important decision. Thus, the management at BGI Ethiopia should encourage the staff to be involved in the decision-making process in person or through immediate supervisors to mitigate the erosion of their belongingness and commitments in the long run.

- It was also found that performance management practice had a positive and significant effect on employee retention. Besides, overall performance management practices of the company were perceived positively even though they had doubts about its application for a staff reward/ punishment scheme. Thus, the management should provide both the incentive and punishment in accordance with their performance appraisal and should give feedback in a transparent manner.

- In this regard, the overall employee career development practices of the company were believed to be satisfactory. Meanwhile, employees believed that managers gave

due consideration or priorities to staff career development. Thus, the concerned management should sacrifice their financial resources for the development of individual staff according to their skill or knowledge gap to make them more committed and loyal to the company.

- further investigation of talent management on employee retention should be conducted the fact that other important factors such as organizational justice and corporate governance are not included in this study

- It would be beneficial for future research to consider the following suggestions:

  o This study was concerned with BGI Ethiopia, a company in the brewery industry as a case study. Thus, a similar study should be carried out including all major brewers in the country so as to confirm the applicability of the results in the industry.

  o The current study was focused only on the relationship between talent management and employee retention, but future studies should consider the moderating effect of other organizational factors like Trust, Culture, and corporate governance among others.

  o There are different levels of manufacturing companies; future studies should compare the different manufacturing industries so as to have the overall applicability of the model in the Ethiopian context.

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APPENDICES

Appendix- I Survey Questionnaire (English Version)

ST. MARY UNIVERSITY

SCHOOL OF GRADUATE STUDIES

The Effect of talent management on employee retention: the case of BGI Ethiopia, Addis Ababa plant.

Survey questionnaire to be filled by Respondents

Dear respondent,

My name is Eyerusalem Tsegaye a postgraduate student of St. Mary's University, School of Graduates. I am conducting my research entitled "The effect of talent management on employee retention: the case of BGI Ethiopia, Addis Ababa plant". The purpose of this questionnaire is to gather information about how employees perceive the talent management practiced by the organization and its effect on staff retention. Your honest and sincere responses to this questionnaire will play a great role in making the research successful. I assure you that all the responses will be treated confidentially and only be used for academic purposes. Participation is purely voluntary and there is no need to write your name.

I thank you in advance for offering your golden time and if you have any questions, please feel free to contact me by the below contact:

Eyerusalem Tsegaye

Phone: +251 942881741,

Email: eyerusalemtsegaye56@gmail.com

Many thanks for sharing your valuable time.

PART 1: General Information

1. Sex   male   female

2. Age (years)   18 – 25   26 – 35   36 – 45   46   –   55
         > 55

3. Education   high school   diploma   degree   masters
                others, please specify _____

4. Department   production   finance   HR & admin
        marketing/sales

                Supply   qty. control   Technic & engineering

5. Service year   1- 5   6 - 10   above 10 years

6. Position   manager   supervisor   team leader   senior
                junior staff

7. Income (birr)   < 5,000   5,000 – 10,000   10,001 – 15,000   >
15,000

PART II. Talent management and employee retention

Please mark (x) the appropriate box, scaled 1 – 5, as to the extent of your agreement or disagreement with the statements given. Where the scale represents 1= strongly disagreed; 2= disagreed; 3= neither agree nor disagree; 4= agreed; 5= strongly agreed.

DESCRIPTION	1	2	3	4	5
COMPETENCY MAPPING					
The company undertakes to need an assessment before recruiting/ selection					

Tasks are fairly distributed based on specific competencies					
Managements carry out need assessments to identify training needs					
Managers carry out a gap analysis to guide staff's development path					
HR managers assure alignment of organization objectives with the required skill					
EMPLOYEE ENGAGEMENT					
Staff are allowed to handle responsibilities outside of their domain					
staff are encouraged to participate in strategic decisions					
Employees are encouraged to be part of their performance appraisal					
The company provides employees with room for claiming their rights					
Supervisors/ immediate managers actively involved in their staff's career development					
PERFORMANCE MANAGEMENT					
The organization conducts performance reviews regularly					
Performance reviews provide staff with accurate information about them					
Employees are provided with constructive feedback based on their performances					
Weaknesses detected in appraisal lead to training and development of staff					
Internal appointments are done fairly based on performance appraisal					

CAREER DEVELOPMENT					
The company has an efficient employee development strategy for all employees					
The company's career development policy is clearly outlined to all employees					
Employee career development programs are offered based on individual need					
The company's HR policy supports employee career growth					
Supervisors/ immediate managers frequently mentor staff to grow professionally					
EMPLOYEE RETENTION					
I have an affectional attitude towards the company's policy regarding employees					
I have a plan to serve the company for a longer period					
I will stay with the company even if I have other better job opportunities outside					
I believe that staying with the company enhances my career development					
I believed that I will be a beneficiary if I work with the company in the long run					

Thank you for your valuable time!

Appendix- II Survey Questionnaire (Amharic Version)

ውድ መላሾች

ሥሜ እየሩሳሌም ፀጋዬ ይባላል በ ቅድስተ ማርያም ዩኒቨርሲቲ የድህረ ምረቃ ተማሪ ስሆን የዚህ መጤይቅ ዓላማ በ ቢ ጂ አይ አትዮጵያ ሰራተኞቹ በድርጅቱ የተተገበሩት የሰራተኞች አያያዝ እንዴት እንደሚመለከቱ እና ሠራተኞችን በድርጅቱ እንዲቆዩ በማድረግ ላይ ስለሚያስከትለው ውጤት መረጃን ለመሰብሰብ ነው ፡፡ ለዚህ መጤይቅ ሐቀኛ እና ቅን ምላሾችዋ ጥናቱ ስኬታማ እንዲሆን ትልቅ ሚና ይጫወታል ፡፡ የሁሉንም መላሾች መልስ በሚስጥር እንደሚስተናገድ እና ለትምህርታዊ ዓላማ ብቻ እንደሚውል አረጋግጣለሁ፡፡ ተሳትፏውም ሙሉ በሙሉ በፈቃደኝነት ላይ የተመሰረተ በመሆኑ ስምዎን መጻፍ አያስፈልግም፡፡

ወርቃማ ጊዜ�1ን ስለሰጡኝ አስቀድሜ አመሰግናለሁ እና ጥያቄ ካለዎት እባክዎን ከዚህ በታች ባለው አድራሻ እኔን ማነጋገር ይችላሉ፡፡

እየሩሳሌም ፀጋዬ

ሥልክ ቁጥር +251 942881741

ኢሜል : eyerusalem tsegaye 56@gmail.com

ክፍል 1 አጠቃላይ መረጃ

1. የ ፆታ   ወንድ   ሴት

2. ዕድሜ $18-25$ $26-35$ $36-45$ $46-55$ >55

3. የትምህርት ደረጃ፡- የሁለተኛ ደረጃ   ዲፕሎማ   ዲግሪ   ማስተርስ

ሌሎች ከሉ እባክዎን ይጥቀ--

4. የሚሰሩበት መምሪያ ማምረት   ፋይናንስ   የሰዉ ብት የአስተዳዳሪ   ግብይት / ሽያጩ

የአቅርቦት   ጥራት ተቆጣጠር   ቴኪኒክ /ኢንጂነሪንግ

5. የአገልግሎት ዓመት ከ1-5   6 - 10   ከ 10 ዓመት በላይ

6. የሥራ መደቡ መጠሪያ ሥራ አስኪያጅ   ተቆጣጣሪ   ቡድን መሪ   የክፍተኛ ደረጃ ሠራተኞች

7. ገቢ (ብር) ‹5,000   5 000 - 10,000   10,001 - 15,000›   15,000

ክፍል II ቸሎታ አስተዳደር እና የሰራተኛ ማቆየት

እባካችሁ በተገቢው ሣጥን ላይ ( ) ምልክት ያድርጉበት ፤ ከ 1 እስከ 5 ያለው ሚዛን ፤ በተሰጡት መግለጫዎች መካከል ከመስማማት እስከ አለመስማት ደረጃዎን እነደሚካተለዉ ይማዝኑት። ሚዛኑ 1 = በከፍተኛ ደረጃ የማይስማሙ ከሆነ፤ 2 = የማይስማሙ ከሆነ; 3 = ከሁቴም ካልሆኑ ፤ 4 = ከተስማሙ; 5 = በጥብቅ ከተስማሙ ።

መግለጫ	1	2	3	4	5
የብቃት ዕቅዶች					
ኩባያዉ ሠራተኞችን ከመመልመል / ከመመረጡ በፊት የአስፈላጊነት ጥናት ያደረጋል					
በተለዩ የብቃት ደረጃዎች ላይ በመመርኮዝ ተግባራት/ ሥራዎች በትክክል ይሰራጫሉ					
አስተዳዳሪዎች የሥልጠና ፍላጎቶችን ለመለየት የፍላጎት ግምገማ ያካሂዱሉ					
አስተዳዳሪዎች የሰራተኛውን የዕድገት አቅጣጫ ለመምራት የቦታ ትንታኔን ያካሂዱሉ					
የሰዉ ኃይል አስተዳዳሪዎች የድርጅቶችን ዓላማዎች ከሚያስፈልገው ችሎታ ጋር ማመጣጠን ያረጋግጣሉ					
የሰራተኞች አሠራር ሂደት					

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ሰራተኞች ከስራቸዉ ውጭ ኃላፊነት ለመወጣት እድል ይሰጣቸዋል					
ሰራተኞቹ በስትራቴጂካዊ ውሳኔዎች ላይ እንዲሳተፉ ይበረታታሉ					
ሠራተኞች የአፈፃፀማቸው ግምገማ አካል እንዲሆኑ ይበረታታሉ					
ኩባንያው መብቶቻቸውን እንዲጠይቁ ለሠራተኞቹ ያመቻቻል					
ተቆጣጣሪዎች / የቅርብ ስራ አስኪያጆች በሠራተኞቻቸው የስራ እድገት ውስጥ በንቃት ይሳተፈሉ					
የሥራ 0ፈፃጸም ግምገማዎች					
ድርጅቱ ሥራ አፈፃፀም ግምገማዎችን በመደበኛነት ያካሂዳል					
የሥራ አፈፃፀም ግምገማዎች ለሠራተኞች ስለእነሱ ትክክለኛ መረጃ ይሰጣቸዋል					
ሰራተኞች በአፈፃፀማቸው ላይ በመመርኮዝ ገንቢ ግብረመልስ ይሰጣቸዋል					
በአተገባበር የተመለከቱ ድክመቶች ወደ ሠራተኞች ሥልጠና እና ዕድገት ይመራሉ					
የውስጥ ምዲባዎች በአፈፃፀም ግምገማ ላይ በመመርኮዝ አግባብ ባለው ሁኔታ ይከናወናሉ					
የሥራ ዕድገትን አስማልከቶ					
ኩባንያው ለሁሉም ሠራተኞች ውጤታማ የሆነ የሰራተኛ ዕድገት ስትራቴጂ አለው					

የኩባንያው የሥራ እድገት ፖሊሲ ለሁሉም ሠራተኞች በግልጽ ጠቀምሟል					
የሰራተኛ የሙያ ዕድገት ፕሮግራሞች የሚሠሩት በግለሰቡ ፍላጎት መሠረት ነው					
የኩባንያው የሰዉ ሀብት ፖሊሲ የሰራተኛ የሥራ ዕድገትን ይደግፋል					
ተቆጣጣሪዎች / የቅርብ ሥራ አስኪያጆች ሠራተኞቻቸውን በብቃት እንዲያድጉ ደጋግመው ምክር ይሰጣሉ					
በድርጅቱ የሰራተኛ ቆይታን ስመልክቶ					
ሰራተኞቹን በሚመለከት የኩባንያው ፖሊሲ ላይ ግንዛብ አለኝ					
ኩባንያውን ረዘም ላለ ጊዜ ለማገልገል እቅድ አለኝ					
በውጭ ምንም ጥሩ የሥራ ዕድል ቢኖረኝም ከኩባንያው ጋር እቆያለሁ					
ከኩባንያው ጋር መቆየቴ የሙያ እድገቴን እንደሚያሻሽል አምናለሁ					
በረጅም ጊዜ ውስጥ ከኩባንያው ጋር ብሠራ እጠቀማለሁ የሚል እምነት አለኝ					

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Appendix- III

COM

Descriptive Statistics

	N	Mean	Std. Deviation
The company undertakes need assessment before recruiting/ selection	233	3.48	1.559
Managements carry out need assessment to identify training needs	233	3.71	1.739
Managers carry out gap analysis to guide staff's development path	233	3.33	1.854
Tasks are fairly distributed based on specific competencies	233	3.47	1.689
HR managers assure alignment of company's objectives with the required skill	233	3.41	1.864
COM	233	3.4807	1.17709
Valid N (listwise)	233		

ENG

Descriptive Statistics

	N	Mean	Std. Deviation
Staff are given opportunity to handle responsibilities outside of their domain	233	4.06	1.530
Staffs are encouraged to participate on important decisions	233	4.12	1.525
Employees are encouraged to be part of their performance appraisal	233	3.62	1.680
The company provides employees with room for claiming their rights	233	3.66	1.725
Supervisors/managers actively involved in their staff's career development	233	4.30	1.334
ENG	233	3.9528	1.23064
Valid N (listwise)	233		

PER

Descriptive Statistics

	N	Mean	Std. Deviation
The organization conducts performance reviews regularly	233	4.22	1.439
Performance reviews provide staffs with accurate information about them	233	4.12	1.476
Staffs are provided with constructive feedback based on their performances	233	3.49	1.822
Weaknesses detected in appraisal lead to training and development of staff	233	4.21	1.377
Appointments are done in a fair manner based on performance appraisal	233	3.12	1.942
PER	233	3.8326	1.10904
Valid N (listwise)	233		

ECD

Descriptive Statistics

	N	Mean	Std. Deviation
The company has an efficient employee development strategy for all staffs	233	3.42	1.726
Company's career development policy is clearly outlined to all employees	233	3.69	1.619
Career development programs are offered based on individual's need	233	3.42	1.860
The company's HR policy supports employee career growth	233	3.18	1.701
Supervisors/ managers frequently mentor staff to grow professionally	233	2.76	1.679
ECD	233	3.2961	1.15938
Valid N (listwise)	233		

ERT

Descriptive Statistics

	N	Mean	Std. Deviation

I have positive attitude towards company's policy regarding employees	233	3.53	1.352
I have a plan to serve the company for longer period	233	4.16	1.279
I'll stay with the company even if I have better job opportunity outside	233	3.45	.950
I believe that staying with the company enhances my career development	233	3.68	1.554
I believed I will be beneficiary if I work with the company in the long- run	233	3.44	1.159
ERT	233	3.6524	.87307
Valid N (listwise)	233		

Descriptive Statistics

	N	Mean	Std. Deviation
COM	233	3.4807	1.17709
ENG	233	3.9528	1.23064
PER	233	3.8326	1.10904
ECD	233	3.2961	1.15938
ERT	233	3.6524	.87307
Valid N (listwise)	233		

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
COM	233	-.420	.159	-.897	.318
ENG	233	-1.064	.159	.061	.318
PER	233	-.641	.159	-.469	.318
ECD	233	-.198	.159	-1.146	.318
ERT	233	.098	.159	-.756	.318
Valid N (listwise)	233				

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	COM	.857	1.167
	ENG	.933	1.071
	PER	.957	1.045
	ECD	.855	1.169

a. Dependent Variable: ERT

Correlations

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		COM	ENG	PER	ECD	ERT
COM	Pearson Correlation	1	.183**	.168*	.343**	.473**
	Sig. (2-tailed)		.005	.010	.000	.000
	N	233	233	233	233	233
ENG	Pearson Correlation	.183**	1	.129*	.212**	.520**
	Sig. (2-tailed)	.005		.048	.001	.000
	N	233	233	233	233	233
PER	Pearson Correlation	.168*	.129*	1	.134*	.321**
	Sig. (2-tailed)	.010	.048		.040	.000
	N	233	233	233	233	233
ECD	Pearson Correlation	.343**	.212**	.134*	1	.627**
	Sig. (2-tailed)	.000	.001	.040		.000
	N	233	233	233	233	233
ERT	Pearson Correlation	.473**	.520**	.321**	.627**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	233	233	233	233	233

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Histogram

Dependent Variable: ERT

Mean = -5.89E-15
Std. Dev. = 0.991
N = 233
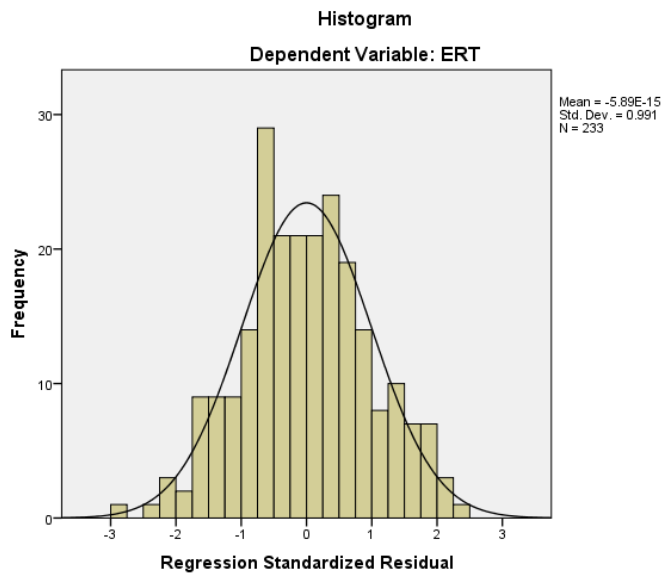
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: ERT

Scatterplot
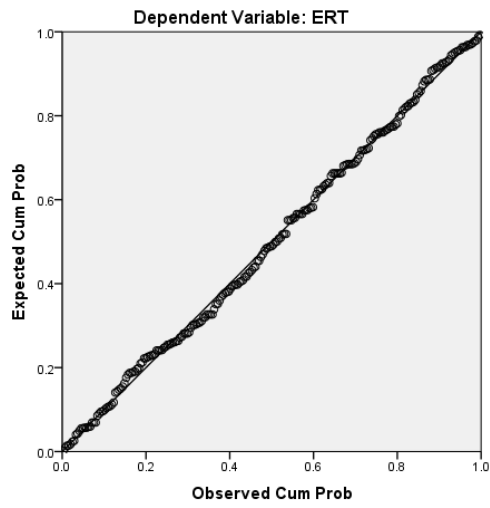
Dependent Variable: ERT
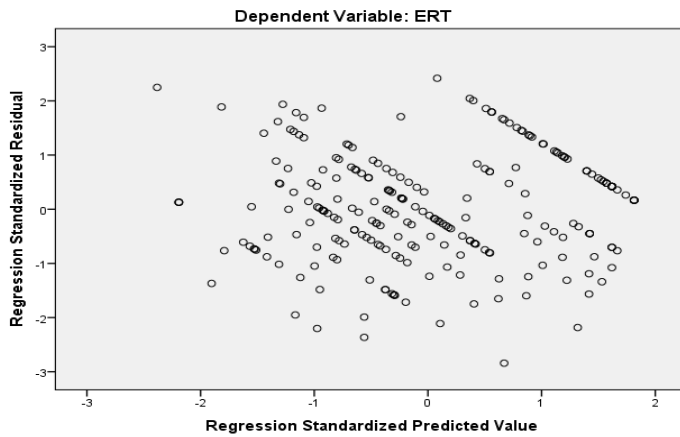
Variables	Cronbach's alphas	No. of Items
COM	.701	5
ENG	.830	5
PER	.712	5
ECD	.701	5
ERT	.717	5
Reliability of all variables	.844	25

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Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.795[a]	.632	.626	.53417

a. Predictors: (Constant), ECD, PER, ENG, COM

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.795[a]	.632	.626	.53417	**1.104**

a. Predictors: (Constant), ECD, PER, ENG, COM
b. Dependent Variable: ERT

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	111.783	4	27.946	97.938	.000[b]
	Residual	65.058	228	.285		
	Total	176.841	232			

a. Dependent Variable: ERT
b. Predictors: (Constant), ECD, PER, ENG, COM

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.416	.180		2.308	.022
	COM	.166	.032	.223	5.143	.000
	ENG	.256	.029	.361	8.682	.000
	PER	.138	.032	.176	4.280	.000
	ECD	.339	.033	.450	10.368	.000

a. Dependent Variable: ERT