



The Effect of Selected Human Resource Management Practices on Employee Turnover Intention: The Case of Berhan International Bank S.C.

by

Beletshachew Zerihun

**A Thesis submitted to Addis Ababa University, School of Commerce,
in partial fulfillment of the requirement for the
Degree of Master of Arts in Human Resource Management**

**Advisor:
Abraraw Chanie (PhD)**

**June 2017
Addis Ababa**

DECLARATION

I, Beletshachew Zerihun, declare that the project entitled “**The Effect of Selected Human Resource Management Practices on Employee Turnover Intention: the Case of Berhan International Bank S.C.**”, is my original work under the guidance and suggestion of the Research Advisor. It is offered for the partial fulfilment of the Degree of Master of Arts in Human Resource Management (MA-HRM). This project has not been submitted for any degree in Addis Ababa University or any other University and all sources of material used for the project have been duly acknowledged.

Name _____ Signature: _____

Date: _____ Place: _____

CERTIFICATE

This is to certify that Beletshachew Zerihun, Student of MA in Human Resource Management, Addis Ababa University, School of Commerce, has been working under my supervision and guidance for this project work. Her project work entitled " **The Effect of Selected Human Resource Management Practices on Employee Turnover Intention: the Case of Berhan International Bank S.C.**" which she has now submitted is genuine and original work.

Name _____ Signature: _____

Date: _____ Place: _____

ADDIS ABABA UNIVERSITY

School of Commerce

**The Effect of Selected
Human Resource Management Practices on
Employee Turnover Intention:
The Case of Berhan International Bank S.C.**

by

Beletshachew Zerihun

Approved by Board of Examiners

1.	_____	_____	_____
	Examiner	Signature	Date
2.	_____	_____	_____
	Examiner	Signature	Date
3.	_____	_____	_____
	Advisor	Signature	Date

ABSTRACT

The purpose of this study was to examine the effects of selected human resource management practices on employee turnover intention in Berhan International Bank S.C. Specifically, it looked at how “Person-organization fit”, “Remuneration, Reward and Recognition”, “Training and Career Development”, and “Challenging Employment Assignments and Career Opportunities” affect turnover intention. The study also sought to examine the moderating effect of organizational commitment on the relationship between the selected human resource management practices and turnover intention. The study was carried out in the Head Office and Branches in Addis Ababa. Clerical, Supervisory and Managerial staff were included in the sample. Multistage sampling was used to select a sample size of 196 employees from the Head Office and Branches in Addis Ababa. Both descriptive and inferential statistical techniques were used to analyse the data. A multiple regression analysis was conducted to test how well the selected human resource management practices could predict turnover intention. The findings highlight the fact that the selected human resource management practices; person-organization fit, training and career development, challenging employment assignments and career opportunities have been found vital to employees and indeed influence turnover intention. It was also evident that organizational commitment partially moderates the relationship between the selected human resource management practices and employees’ turnover intention. To improve employees’ turnover intention, it is recommended that, the Bank must pay attention to its human resource so that it can achieve a competitive advantage through them. The Bank should review its remuneration, reward, and recognition programme as it appears to be important to the employees. Furthermore, it is recommended that employees should be given some level of empowerment and challenging assignments that will require them to make use of their full potential.

Key words: *Human resource management practices, Turnover Intention, Organizational commitment.*

ACKNOWLEDGEMENT

I would like to express my gratefulness to the Lord God Almighty for his protection and provision, and for enabling me pursue my studies this far. Nothing would have been possible without his divine enablement.

My acknowledgement, with gratitude, goes to my Advisor, Dr. Abraraw Chanie, whose patience, guidance, co-operation, suggestions and constructive criticisms were instrumental in the preparation of this research paper.

I also express my appreciation to the Management and staff of Berhan International Bank S.C. for their valuable comments and cooperation they extended to me during my research. Without their unreserved help, completion of the project would have been very difficult.

Finally, I must express my very profound gratitude to my family for providing me with an unfailing support and continuous encouragement throughout my years of study.

Table of Contents

Declaration.....	i
Certificate.....	ii
Approval by Board of Examiners.....	iii
Abstract.....	iv
Acknowledgement.....	v
List of Tables and Figures.....	ix
CHAPTER ONE	
Introduction.....	1
1.1 Background of the Study	1
1.2 Background of the Organization.....	2
1.3 Statement of the Problem.....	3
1.4 Research Question.....	4
1.5 Research Objectives.....	5
1.6 Significance of the Study.....	5
1.7 Scope of the Study.....	6
1.8. Limitation of the study.....	6
1.9. Research Variables.....	6
1.10 Definition of Terms.....	7
1.11 Organization of the Study.....	7
CHAPTER TWO	
Review of Related Literature.....	8
2.1. Human Resource Management Practices.....	8
2.1.1. Person Organization Fit (Selection).....	10
2.1.2. Remuneration, reward, and recognition.....	11
2.1.3. Training and career development.....	12
2.1.4. Challenging employment assignments and career opportunities.....	14
2.1.5. Organizational Commitment.....	15
2.1.6. Turnover Intention.....	16
2.2. Summary of empirical review and research gap.....	17
2.3. Conceptual Framework.....	19

CHAPTER THREE

Research Design and Methodology.....	20
3.1 Description of the Study Area.....	20
3.2 Research Design.....	20
3.3 Research Approach.....	21
3.4 Population and Sample.....	21
3.5 Data Sources and Types.....	23
3.6 Data Collection Instrument.....	23
3.7. Data Collection Procedure.....	24
3.7 Ethical Consideration.....	24
3.8 Data Analysis.....	24
3.9 Validity and Reliability.....	25

CHAPTER FOUR

Data Analysis and Presentation.....	27
4.1 Participant's Demographic Characteristics.....	27
4.2 Descriptive statistics of study variables.....	29
4.3 Correlation Analysis.....	33
4.4 Common Assumption Tests.....	35
4.4.1 Multicollinearity Test.....	35
4.4.2 Linearity Test.....	35
4.4.3 Normality Test.....	36
4.4.4 Homoscedasticity Test.....	37
4.5 Multiple Regression Analysis.....	38
4.5.1 Model Specification.....	38
4.5.2 Regression Results.....	39

CHAPTER FIVE

Summary of Findings, Conclusion, and Recommendation.....	42
5.1 Summary and Findings	42
5.2 Conclusion.....	43
5.3 Recommendations.....	44
References.....	46
Appendix I: Demographic Data of employees of Berhan International Bank S.C.	
Appendix II: Questionnaire	

LIST OF TABLES AND FIGURES

	<u>Title</u>	<u>Page</u>
Table 1.1	Turnover rate at Berhan International Bank S.C. 2011 – 2015	4
Table 3.1	Study sample	23
Table 3.2	Reliability statistics	26
Table 4.1	Mean and Standard Deviation for Person-Organization Fit	30
Table 4.2	Mean and Standard Deviation for Remuneration, Reward, and Recognition	30
Table 4.3	Mean and Standard Deviation for Training and Career Development	31
Table 4.4	Mean and Standard Deviation for Challenging Employment Assignments and Career Opportunities	32
Table 4.5	Mean and Standard Deviation for Organizational Commitment	32
Table 4.6	Mean and Standard Deviation for Turnover Intention	33
Table 4.7	Correlation Result of Independent Variables	33
Table 4.8	Multicollinearity Diagnosis	34
Table 4.9	Pearson Correlation results between the moderating & dependent variables	35
Table 4.10	Regression Results (Unstandardized Coefficients) for Organizational Commitment as Dependent Variable	38
Table 4.11	Regression Results (Unstandardized Coefficients) for Turnover Intention as Dependent Variable	40
Table 4.12	Regression Results (Unstandardized Coefficients) for Turnover Intention with the moderation of organizational commitment	41

FIGURES

Figure 2.1	Model for the Conceptual Framework	19
Figure 4.1	Gender composition of respondents	27
Figure 4.2	Age composition of respondents	28
Figure 4.3	Position composition of respondents	28
Figure 4.4	Composition of respondents by educational qualification	29
Figure 4.5	Composition of respondents by experience	29
Figure 4.6	Linearity Test	36
Figure 4.7	Normal Q plot of standardized residual	37
Figure 4.8	Scatterplot for testing homoscedasticity	38

CHAPTER ONE

Introduction

1.1 Background of the Study

It is crucial for organizations to hire competent employees to gain a competitive advantage in the market. But retaining competent employees is more important than hiring. According to Haider et al. (2015), organizations are facing the challenge of retaining their employees due to increased competition in the market.

The importance and immense contribution of human resource to organizations cannot be overemphasized. Human resource is valuable and serves as the backbone of organizations over all the world. Employees are a key resource that can be strategically placed for an organization to attain competitive advantage. Therefore, by virtue of human capital as a main source for productivity and competitive advantage (Khan, 2010), organizations must consider the critical role of human resource management practices and make every effort to develop and sustain this capital.

Our world is currently experiencing stiff business competitions and business process outsourcing is on the peak – both demanding effective performance. Banks in Ethiopia are part of this and they try to consider employee retention as part of enhancing their competitive advantage. Turnover is becoming a critical human resource management issue within the Banking industry in Ethiopia as it affects productivity, product and service quality, and profitability.

This research, therefore, will investigate the effect of selected human resource management practices (Person organization fit-selection, remuneration, reward, and recognition, training and career development, and challenging employment assignments and career opportunities) identified by Chew (2004), on employee turnover intention as well as the moderating role of organizational commitment between the two variables in the case of Berhan International Bank S.C.

1.2 Background of the Organization

Banks play a key role in controlling the economic activities of a country. As the National Bank of Ethiopia (NBE) implements monetary policies, the private banking industry has been expanding in Ethiopia (Harvey, 1991). Following the Monetary and Banking Proclamation of 1994 a number of private banks have been opened in Ethiopia (Alemayehu, 2001). A report by the National Bank of Ethiopia (NBE), which is the regulatory authority in the industry, reveals that private banks increased in number from 3 in 1991 to 19 in 2012. These banks, indeed, created a lot of employment opportunity to the nation's workforce but they are also challenged by the incidences of employee turnover.

Berhan International Bank S.C is one of the newly formed Banks in Ethiopia. It was formed in accordance with Article 304 of the Commercial Code of Ethiopia with the objective of operating in the banking industry. Headquartered in Bole, it started its operation in 2009 and as of March 2017, it was operating in over 35 cities, with a branch network of 152 branches and sub-branches. Currently, it serves more than 195,000 customers across the nation with a team of 2739 staff members. The demographic data of the Bank's employees is as shown in Appendix I.

According to the annual report of the Bank for 2015/16, the Bank's overall performance during the fiscal year under consideration was quite impressive in light of achievements of key performance areas in that it registered a 111% growth from the previous year. It was further stated in the same report, that such outstanding performance of the Bank was the result of effective implementation of the Bank's Strategic Plan, in connection with which the Bank's organizational structure was revised and proper manning was put in place. During the current fiscal year 2016/17, the Management also implemented the revision of several policies and procedure manuals with a view to helping the Bank to promptly respond to the changing business environment.

The Bank has plans to exert relentless effort to sustain the growth momentum and make Berhan International Bank S.C. more competitive in the industry. In the 2016/17 fiscal year the Bank is working towards giving prior attention to raise its paid-up capital, enhance human resource development and install state of the art Information Technology infrastructure, among others.

1.3 Statement of the Problem

According to a report by the Ethiopian Business Review (2nd year, July 2014, No. 16), some Banks in Ethiopia are taking steps that would improve retention of their skilled labour force. Though the competitive nature of the financial industry still challenges them, it is believed that the improved payment and retention packages are reducing the staff turnover.

According to the same review, most bankers agree that staff mobility will be the biggest challenges of the banking industry with an increasing rate. This will again create an environment of fierce competition in the industry in terms of providing better salary and benefit packages supported by other human resource management practices.

This study, is therefore, aimed at investigating the effect of the selected human resource management practices (person-organization fit, remuneration, reward, and recognition, training and career development, and challenging employment assignments and career opportunities) on employee turnover intention at Berhan International Bank.

The turnover rate exhibited in the Bank under study during the 2011 – 2015 fiscal years is shown in the following table. Despite the fact that the Bank set a maximum attrition rate of 5% in its strategic plan, the percentage was almost twofold on average.

Table 1.1. Turnover rate at Berhan International Bank S.C. 2011 – 2015

	2011/12	2012/13	2013/14	2014/15
Total number of staff	288	409	812	1397
Number of staff members who left the Bank	28	43	63	126
Turnover Rate	9.72%	10.51%	7.76%	9.02%

The Bank, therefore, in order to combat the existing problem and to also be proactive in addressing the increasing rate of losing its employees to its competitors, exercises various human resource management practices that it believes would minimize turnover intention of its employees. Therefore, it has been found imperative to examine the effect of these human resource management practices, selectively, ‘person-organization fit’, ‘remuneration, reward, and recognition’, ‘training and career development’, and ‘challenging employment assignments and career opportunities’, would bring on the turnover intention of its employees.

1.4 Research Question

In order to gain better insights into the process and practices that the Bank utilizes to minimize the turnover of its employees, key research question was formulated to guide the research. The primary research question that is to be addressed by the research was:

What is the effect of the selected human resource management practices (‘person-organization fit’, ‘remuneration, reward, and recognition’, ‘training and career development’, and ‘challenging employment assignments and career opportunities’) on employee turnover intention in Berhan International Bank S.C.?

Research Sub-Questions:

- What is the level of turnover intention in Berhan International Bank?
- How do the selected human resource management practices affect turnover intention in Berhan International Bank?
- How does ‘organizational commitment’ moderate the relationship between the human resource management practices and turnover intention?

1.5 Research Objectives

The research has a general objective of examining the effect of the selected human resource management practices (i.e. ‘person-organization fit’, ‘remuneration, reward, and recognition’, ‘training and career development’, and ‘challenging employment assignments and career opportunities’) and ‘turnover intention’ in Berhan International Bank S.C.

The study will have the following specific objectives:

- To investigate the level of turnover intention in Berhan International Bank?
- To investigate the effect of the selected human resource management practices on turnover intention in Berhan International Bank?
- To investigate the extent to which ‘organizational commitment’ moderates the relationship between the human resource management practices and ‘turnover intention’.

1.6 Significance of the Study

The research will serve as a baseline data for other studies, increase the research pool on the area, give an insight for the concerned bodies i.e. Management of the Bank, indicate and recommend possible interventions, and encourage young researchers and companies or organizations to undertake more research in the area.

1.7 Scope of the Study

This research investigated the effect of only the human resource management factors identified by Chew (2004). These are; person-organization fit, remuneration, reward, and recognition, training and career development, and challenging employment assignments and career opportunities. The other factors affecting turnover intention, namely Organizational actors i.e. leadership behavior, company culture and policies, teamwork relationship and satisfactory work environment are not covered in this study due to time constraint. Participants of the

1.8 Limitation of the study

The study was limited to the Head Office and selected Branches in Addis Ababa due to geographic proximity and logistic simplicity. The research was done on the total population of the above with the exclusion of high level Management Staff (i.e. President of the Bank, Vice Presidents, and Directors of Departments) plus non-clerical staff working within the Head Office and respective Branches. Regardless of the various aspects of the causes of turnover intention, the research is also limited to the employees' perception only on the selected human resource practices.

1.9. Research Variables

The independent variables are: Person-organization fit (selection), remuneration, reward and recognition, training and career development, and challenging employment assignments and career opportunities. The dependent variable is turnover intention, and the moderating variable is organizational commitment. All items were scored along a five point scale ranging from (1) strongly disagree to (5) strongly agree (Likert 1961). Scales used in previous research were employed to measure the independent and dependent variables of the study. In this project, Organizational commitment and turnover intention were selected as a partial moderating variable and as the focal dependent variable respectively. This is due to the fact that employees purportedly view organizational commitment as a prerequisite for turnover intention to come into picture (Shore and Wayne 1993).

1.10 Definition of Terms

Human resource practices: Schuler and Jackson (1987) defined human resource practices as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organization and its members. Besides, human resource practices are also conceptualized as a set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contribute to the achievement of its business objectives (Delery & Doty, 1996). Likewise, Minbaeva (2005) viewed human resource practices as a set of practices used by organizations to manage human resources through facilitating the development of competencies that are firm specific, produce complex social relation and generate organization knowledge to sustain competitive advantage.

Organizational commitment: Organization commitment is defined as a psychological state that is representative of an employee's relationship with the organization, and influences the employee's decision to remain employed at a particular organization (Meyer & Allen, 1997).

Turnover Intention: Turnover intention refers to mental decisions intervening between an individual's attitudes regarding a job and the stay or leave decision (Sager, Griffeth & Hom, 1998:255).

1.11 Organization of the Study

This research paper consists of five Chapters. Chapter one provides an overview about the background of the study and the organization, statement of the problem, the research question and objective, significance and scope of the study, and research variables and definition of terms. Chapter Two briefs literature related to employee turnover intention, and indicators of turnover intention. Chapter Three concentrates on the research methodology and Chapter Four provides findings, discussions and analysis of the study. Chapter five presents the conclusion, recommendation, and summary of of the study. The final writing of the project is submitted in both hard and soft copy format to Berhan International Bank S.C. and to the researcher's Advisor.

CHAPTER TWO

Review of Related Literature

2.1. Human Resource Management Practices

From the perspective of Strategic human resource management, policies and practices can be mutually reinforced and create a strong impact on organizational goals (Morris & Snell, 2010). A firm's human resource management practices refer to the policies, practices, and systems that influence employees' behavior, attitudes, and performance. It is sometimes referred to as involving "people practices". Human resource management practices include analyzing and designing work, determining human resource needs, attracting potential employees, choosing employees, teaching them how to perform their jobs and preparing them for the future, rewarding employees, evaluating their performance and creating a positive work environment.

Marescaux et al. (2012) argued that soft human resource practices include five practices, which are: training, career planning and development, mentoring, employee involvement and participation, as well as developmental assessment. Farzaneh et al. (2014) identified two types of human resource practices, which are person-job fit and person-organization fit. López et al. (2006) studied four human resource practices: selective hiring, training, compensation and reward, and employee participation. Guerci et al. (2015) divided human resource practices into three types: human resource practices that improve employees' abilities such as selection and training, and practices enhancing employee' motivation like performance management, compensation and incentives, and practices enhancing opportunities like employee involvement and job design. Joarder et al. (2011) identified six practices including supervisors' support, training and development, job security, job autonomy, compensations, and work conditions.

A lot of researches have been conducted on the role of human resource practices in mitigating voluntary turnover, and in each of the studies, the conclusion is that human resource management practices go a long way to affect turnover intention. Memon et al. (2010) identified that appropriate and proficient organizational policies and human resource management practices geared toward employee retention will stimulate

employee satisfaction and performance. They argued that organizations that put in place practices like effective and equitable compensation structure, appropriate promotional scales, and enhanced development and training opportunities will motivate their employees to stay.

Although there have been many studies on best practice in human resource management, most of them have been fragmented in identifying an effective mix of practices that could improve organizational commitment and intention to stay. Moreover, there is a noticeable lack of empirical examination of private Banks with regard to their human resource practices on commitment and turnover intention.

A review of the literatures reveals that there are three main perspectives on human resource management practices. The universalistic approach states that there is an identifiable set of best practices, which when executed could lead to organizational improvements (Kochan and Osterman, 1994). The contingency approach attempts to contextualize the various Human resource management practices to different organizational settings and strategies (Arthur, 1994; Youndt et al., 1996). The configurational approach argues that a good fit between various human resource management practices and organizational strategy would improve the human resource management-firm performance relationship (Becker and Gerhart, 1996). Regardless of the different ideologies, there are a number of common human resource management practices that are overlapping in the three approaches in improving organizational commitment and intention to stay.

Therefore, the common factors across the above three approaches which were identified as important human resource management factors by Chew (2004) through Delphi technique and interview, have been considered variables improving commitment and intention to stay. These are: Person-Organization fit, remuneration, reward, and recognition, opportunity to work on challenging assignments, and access to training and career development.

2.1.1. Person-Organization Fit (Selection)

Person-Organization Fit can be defined as the compatibility between people and Organizations that occur when: (a) at least one entity provides what the other needs, or (b) they share similar fundamental characteristics, or (c) both (Kristof, 1996). Another author (McCulloch & Turban, 2007) states that Person-Organization fit refers to the compatibility of an employee with the fundamental characteristics of an organization i.e. its values. Person-Organization fit has its roots from Schneider's (1987) Attraction–Selection–Attrition (ASA) theory which states that individuals are attracted to and they seek to work for the organizations where they perceive that there is a high level of Person Organization Fit and with the passage of time the employees whose values are consistent with the values of organization will remain with the organization and other may quit.

Person-Organization fit was found to have a relationship with work attitudes such as job satisfaction and organizational commitment (Bretz & Judge, 1994). Other researches (Cable & Judge, 1994) also conclude that employees will prefer organizations where their values are aligned with the values of the organization. In a study by Lauver and Brown (2001), it was found that there is an impact of Person-Organization fit on Job Satisfaction and intention to quit and Person Organization fit is a better predictor of intention to quit. Another study by Gregory et al. (2010), supports a direct positive relationship between Person Organization fit and Organizational Commitment. In a meta-analysis by Verquer et al., (2003), it was indicated that there is a relationship between Person-Organization fit, Job satisfaction and Intent to quit. The findings of the quantitative review by Hoffman and Woehr (2006), also established the relationship of Person-Organization Fit with the behavioral outcomes of the employees.

Meyer et al., (2010) in their study consistent with P-O fit theory explored the relationship of P-O fit or culture to employee's commitment and their intentions to stay with organization while studying the employees of a large electric company during an initial change announced. Results of this study show that

perceived culture and culture fit have a positive relationship with affective commitment and intentions to stay with organization.

The literature as discussed above, indicates that there is a relationship between Person-Organization Fit, Organizational Commitment, and Turnover Intention. Employees will prefer those organizations where there is a match between the individual values and the values of the organization. Furthermore, organizations while recruiting employees will also try to select those employees whose values are consistent with the values of the organization. Moreover, quantitative studies that are reviewed above have indicated that there is a positive relation between person organization fit and Job Satisfaction of the employee and there is a negative relationship between Turnover Intention and Person Organization fit.

2.1.2. Remuneration, reward and recognition

According to Armstrong (2007), reward management refers to the strategies, policies and processes that are required to ensure that the contribution of people in an organization is recognized by both non-financial and financial means. This implies that rewards management encompasses the design, implementation and maintenance of reward systems which targets both the organization and its stakeholders. Armstrong (2007) notes that rewards management does not only involve employee pay and benefits but is also concerned with non-financial rewards such as learning and development, recognition, praise and increased job responsibility. Njanja et al., (2013) also emphasize that recognition and appreciation are other integral components of rewards management.

According to Njanja et al., (2013), appropriate, timely, and effective reward enhances employees' motivation which in turn leads to improved commitment as well as achievement of organizational goals.

According to the Chartered Institute of Personnel Development (2007), alignment of reward management practices with personnel needs creates employee satisfaction which leads to higher productivity and organizational

commitment leading to intention to stay. This in turn assists the organization towards achieving its goals. Fransson and Frenberg (2008) point out that reward management attracts and retains high quality employees. This means that for an organization to attract and retain talented employees, it must offer attractive and appropriate rewards. The Centre for Effective Organizations (2008), again observes that the ability of an organization to attract and retain employees depends mostly on its rewards. This is due to the fact that good rewards lead to high level of employee satisfaction which in turn leads to low turnover. Armstrong (2012) observes that employees are satisfied with their jobs in organizations that provide competitive rewards and this makes them to want to stay in the same organizations thereby leading to high levels of employee retention. He further reports that reward management aims at defining the right behaviors and outcomes by outlining expectations through contingent pay schemes and performance management. Similarly, Manas and Graham (2003) emphasize that rewards can be used to drive the right behaviours and outcomes in an organization. Therefore, employees are motivated to adopt the right form of behavior with the belief that performance will lead to better rewards. Employee rewards may be looked at as total reward which refers to the compensation which an employee receives from an organization for rendering his or her services (Jiang et al, 2009). It includes all the financial and non-financial benefits that are given by an organization to its employees.

Danish and Usman (2010) in a study to determine the impact of reward and recognition on job satisfaction and motivation of employees from both private and public sectors organizations in Pakistan found that rewards and recognition were positively related with motivation. They concluded that effective rewards management leads to increased employee motivation and commitment.

2.1.3. Training and career development

Training is imparting a specific skill to do a particular job while development deals with general enhancement and growth of individual skill and abilities through conscious and unconscious learning. Armstrong (2012) clearly stated in his book that organizations could benefit from training and development

through winning the “heart and minds of” their employees to get them to identify with the organization, to exert themselves more on its behalf and to remain with the organization. According to Edralin (2011) effective training and development programs in an organization contribute in the form of enhancement of employees’ skills which in result enable them to respond to the rapid changes taking place in the external environment of the organization. A drastic situation occurs in an organization when a trained employee leaves the organization to join another organization. Prior research reveals that employees’ intention to leave, either voluntary or involuntarily, effects the organizations in multiple ways (Cho et al, 2009). Higher level of turnover rates are directly related with the higher levels of recruitment and training costs and lower levels of employee morale, job satisfaction and customers perceptions of service quality (Gray et al, 2000), ultimately effecting the organizational performance. Most of the previous research papers have focused on the role of training and development programs in improving the employees’ skills, overlooking the possible effect of training and development on the intentions of an employee to leave the organization if it has a weak system to retain its employees (Wong et al, 2009).

Level of employee turnover and training are expected to be inversely related: the higher the level of turnover, the lower the amount of training. This expectation is based on the reasoning that the longer an employee stays with an employer; the higher will be the return to training. A study by Frazis *et al* (1998) indicated that employees working in low-turnover establishments spent about 59 percent of their total training time in formal training, compared with 18 percent for employees in high-turnover establishments. According to the same study, from the employee’s view, if the training involves skills specific to the establishment, it is likely to contribute to an increase in productivity at that establishment. Greater productivity at the establishment, in turn, will tend to raise a worker’s wage above what he or she would earn elsewhere, thus providing an incentive to stay. In other words, training can serve to lower turnover (Frazis *et al*, 1998).

2.1.4. Challenging employment assignments and career opportunities

Employees need to be stimulated with creative challenges or they will go where the excitement is, be it another department, industry or company. Providing employees with challenging assignments with well-defined performance measures and feedback is important for a high performance environment in which employees can achieve their personal objectives. According to Walker (2001), the necessity of mastering new skills keeps employees satisfied and creative. Employees also want a job with broad duties and a lot of task variety. In part, it is because they want to have more job skills on their resume when they are forced to get another job.

A study by Preenen et al (2011) showed that challenging assignments are negatively related to turnover intentions. Moreover, the results showed that an increase in challenging assignments over time is negatively related to voluntary employee turnover. The study also continued by suggesting that challenging assignments may be a valuable tool for managers and their organizations to lower voluntary employee turnover.

Other literatures by Loquercio (2006) and Salopek (2000) proposed but did not empirically examined that organizations should create challenging jobs to avoid voluntary employee turnover. On the other hand, research has shown that individuals are particularly attracted to organizations that offer challenging jobs (Slaughter et al, 2006). The proposition that organizations should create challenging jobs to avoid voluntary employee turnover is in line with human resource management scholars who view organizational initiatives for employee development as part of a strategy to increase employee commitment to the organization and, thereby, to reduce voluntary turnover (Paré & Tremblay, 2007). However, it can be argued that providing challenging assignments may increase employees' opportunities for employment in other organizations (Ito & Brotheridge, 2005) and thus may boost voluntary turnover. Such opposing view ask for a further investigation of the consequences of providing employees with challenging assignments.

2.1.5. Organizational Commitment

Organizational commitment is a feeling of dedication to one's employing organization, willingness to work hard for that employer, and the intent to remain with that organization (Meyer and Allen, 1997). A respected theory proposes that there are three components to organization commitment: Affective, Continuance, and Normative Commitment (Meyer and Allen, 1991).

Affective commitment is an emotional attachment to the organization, Continuance commitment is characterized by a more rational analysis of the cost of staying versus leaving the organization, and normative commitment is a sense of moral obligation to stay with the organization. Various authors have been instrumental in identifying types of employee commitment as critical constructs in understanding the attitudes and behaviors of employees in an organization. There are two dominant conceptualizations of organizational commitment in sociological literature. These are an employee's loyalty towards the organization and an employee's intention to stay with the organization. Loyalty is an affective response to, and identification with, an organization based on a sense of duty and responsibility. It is believed that affectively committed employees continue working with great devotion on voluntary basis, continuance commitment ensures that employees retain their organizational membership, however those who are normally committed usually feel obligation on their part to stay in the organization.

Researchers point out that human resource practices are considered valuable and effective tools for enhancing employees' organizational commitment (Giauque, Resenterra, & Siggen, 2010; Ulrich, 1997). Wimalasiri (2005) argues that human resource practices influence commitment through selection, placement, development, rewards, and retention, while others find that human resource practices such as employee recognition, competence development, and empowerment have a significant positive impact on organizational commitment among professionals in IT sections (Paré & Tremblay, 2007).

Previous studies showed that the intentions to quit are influenced by lack of commitment (Firth, Mellor, Moore and Loquet 2004; Peryyer, Jordan, Firms and Travaglione 2010). Thus, managers need to pay attention to the increasing commitment of employees. This view is shared by Parasuraman (2002), who confirms in his study that OC can be used to predict turnover intentions. The findings from Igbaria et al. (2004) highlight the importance of organizational commitment as the most immediate predictors of intention to stay. Ingram and Lee (2005) add that the intention to stay, the quality of job training and the quality of organization discipline as organizationally are related predictors of commitment. Previous studies that examined the factors influencing turnover intention indicated that organizational commitment is one of the factors that contribute to employees' intentions to leave an organization (Carmeli and Weisberg 2006).

2.1.6. Turnover Intention

Turnover is defined as the “individual movement across the membership boundary of an organization” (Thwala et al., 2012). Unlike actual turnover, turnover intention is not explicit. Intentions are a statement about a specific behavior of interest. Turnover intention is defined as the reflection of the probability that an individual will change his or her job within a certain time period (Sousa-Poza and Henneberger, 2002) and is an immediate precursor to actual turnover. Turnover intention captures the individual's perception and evaluation of job alternatives (Mobley et al., 1999).

Employee turnover will continue to be a serious problem that is faced by all organizations around the world and employers need to be creative in handling this problem by identifying the various factors to understand the reasons why employees might decide to leave their organizations (Grissom et al., 2012).

A study by Giauque et al. (2010) has revealed that human resource management practices may affect employee turnover intention. Research suggests that human resource management practices, which is characterized by promotion, compensation, and evaluation practices, among others play an important role in

understanding employees' turnover decision (Demo et al., 2012). Some other studies have found a mixed result in the relationship between human resource management practices and employees' turnover intention. For example, with two samples comprising of department store salespeople and insurance agents, respectively, Allen et al. (2003) examined the role of supportive human resource management practices (participation in decision making, fairness of rewards, and growth opportunities) in explaining turnover intention. Using structural equation modeling, they found that human resource management practices were negatively correlated with voluntary turnover in both samples of employees. In the same vein, Paré and Tremblay (2007) showed that high-involvement human resource management practices were found to be significant determinants of turnover intention. Chew and Chan (2008) reported a significant and negative relationship between human resource management practices and intention to stay among employees of nine Australian Organizations.

Boon et al. (2011), linked employee perceptions of a broad set of human resource management practices, such as training and development, performance appraisal, and employment security with employee outcomes in a study of employees in the Netherlands. They found significant and negative relationship between human resource management practices and turnover intention.

2.2. Summary of Empirical Review and Research Gap

Both theoretical and empirical literature relevant to the study have been reviewed in this chapter. The empirical review focused on previous studies on human resource practices and turnover intention. The review showed that, researches on what influences turnover intention have been conducted by several researchers following the initial work of March and Simon's (1958). In their seminal work, March and Simon found two main factors that determine an employee's loyalty, namely perceived desirability of movement and perceived ease of leaving the organization. Both factors independently operate to influence an employee's motivation to stay or leave an organization.

Turnover intention is an important issue for organizations because turnover is very costly in terms of the economic impact, time, money and other resources especially when critical and knowledgeable employees leave the organization. To minimize these potential problems, forward-thinking organizations must strive to create a positive organizational climate through various human resource management initiatives to affect the turnover intention of valuable employees.

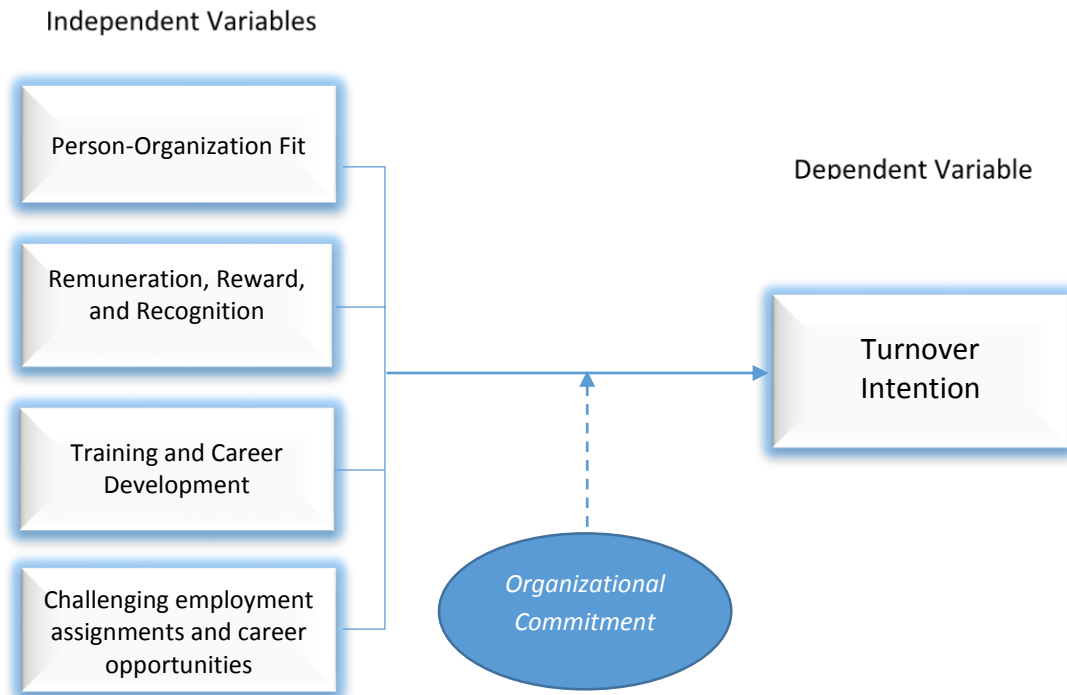
The theoretical and empirical examination revealed that human resource management factors that could affect turnover intention are numerous and include compensation, training and career management, work-life balance, employee engagement, challenging assignments, etc.

However, previous studies on best practices in human resource management factors have been fragmented and researchers have not arrived at an effective blend of practices that could improve organizational commitment and intention to stay (Chew & Chan, 2008). Also most of the studies on turnover were conducted mostly in Western World (Samuel & Chipunza, 2009). Hence there is a limited empirical study on employee turnover intention in Africa (Tettey 2009) and particularly in Ethiopia. Besides a specific research examining the effect of human resource management practices on turnover intention of employees in Berhan International Bank S.C. could not be found.

2.3. Conceptual Framework

The following conceptual framework adopted from Chew (2004) is used in this study.

Figure 2.1. Model for the Conceptual Framework



CHAPTER THREE

Research Design and Methodology

3.1 Description of the Study Area

The study is conducted on Berhan International Bank S.C. The sample is drawn from the population from the head office and the full-fledged branches of the Bank that are located in Addis Ababa only i.e. excludes branches in other cities and towns of the Country due to difficulty in geographical access and time constraint. Key members of the Management of the Bank and newly recruited staff members having less than two years of experience within the Bank are also excluded. The reasons being that the key members of the Management are the ones responsible for policy making and implementation of rules and regulations decided by the Board of Directors, while new staff members, according to Oakes (2012), an article in Training Industry Quarterly Journal, it takes them at least one to two years before they can become fully productive and identify themselves with their employer. In addition, non-clerical staff (messengers, cleaners, and guards) are not considered under the study as these positions are not a matter to the problem of turnover intention due to the possibility of outsourcing opportunities in the country which, if pursued, can minimize a lot of expenses.

3.2 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004). Quantitative is one in which the investigatory primarily uses claims for developing knowledge (i.e., cause and effect thinking, reduction to specific variables and hypotheses and questions, use of measurement and observation, and the test of theories), employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistics data. Qualitative, on the other hand, is used to gain an understanding of underlying reasons, opinions, and motivations. It helps provide insights into the problem or helps to develop ideas for potential quantitative research.

Quantitative approach is chosen for the purpose of this study because it helps to empirically test the relationship between the variables and because the method is easy to use and generalize.

3.3 Research Approach

A combination of both descriptive and explanatory research approaches is used in this study.

Descriptive research allows investigating the issue of the study of Human Resource through looking into the problem by exploring different view of the different set of respondents, as well as exploring different literatures related with the study. As such the research method makes it possible for the presentation of facts that concern the nature and status of the situation, as it exists at the time of the study as well as describing the present conditions, events or systems based on the impression or reaction of the respondents of the research (Creswell, 2014). Explanatory research, on the other hand, helps in the attempt to connect ideas to understand cause and effect.

3.4 Population and Sample

By considering geographical restrictions, logistics problem, and expected rate of return, the study is confined to employees of Berhan International Bank S.C. who are located in Addis Ababa only.

Multiple stage sampling is used for selecting the sample respondents. The employees working in the Bank were categorized in stratum. The first stratum contains employees working in the Head Office and the second stratum contains employees working in all the Branches. Then, by implementing convenience sampling technique, only the branches in Addis Ababa City were considered to select sample from the target population. This method was applied due to the fact that the human resource practices of the Bank are uniformly applied in the Head office and Branches whether they are located in or outside Addis Ababa city.

Therefore, in addition to the head office, ten mostly populated branches out of the 52 full-fledged branches were chosen for the study. Simple random sampling was implemented by lottery method in choosing individual respondents in each office.

The following formula was used to select the appropriate sample size based on 95% confidence level and 5% margin of error or level of precision.

The sample size for the population is determined by using the formula from Cochran (1977) below:

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

Sample Size for $\pm 5\%$ Precision Levels where Confidence Level is 95%

Where,

n = Sample size

N = Study population

e = Level of confidence

$$\begin{aligned} n &= N / (1 + Ne^2) \\ &= 384 / (1 + 384 * 0.05^2) \\ &= \underline{196} \end{aligned}$$

Table 3.1. Study sample

No	Office/Branch	No of Staff*	Sample % (0.51)
1	Head Office	264	135
2	Bole Branch	25	13
3	Bole Medhanealem Branch	10	5
4	Gerji Mebrat Hail Branch	12	6
5	Gurd Shola Branch	10	5
6	Haya Hulet Branch	14	7
7	Kotebe Branch	12	6
8	Lem Megenagna Branch	12	6
9	Olympia Branch	8	4
10	Wollo Sefer Branch	9	5
11	Yerer Ber Branch	8	4
	TOTAL	384	196

* *excludes top level management and non-clerical staff.*

3.5 Data Sources and Types

Primary data was collected through questionnaire while the secondary data was collected mainly through document review of the Bank's reports, and various official publications. The questionnaire was distributed among the 196 employees of lower and middle level employees of the Bank as mentioned under the data collection procedure on the next page.

3.6 Data Collection Instrument

An employee self-completion questionnaire, which was adopted from Chew (2004), Weiss et al (1967), Rhoades et al. (2001), and Cummann et al. (1979), and which was slightly modified, was used as an instrument in this study. The study focused on four factors that are believed to affect turnover intention of employees. i.e. person-organization fit (selection), remuneration, reward, and recognition, training and career

development, and challenging employment assignments and career opportunities, Organizational Commitment as a moderating variable.

The questionnaire is designed in a way to allow the collection of relevant information to test the proposed model. Part of the questions were used to obtain demographic information such as gender, age, qualification, position and experience, while the other part was used to measure the study variables.

3.7 Data Collection Procedure

The questionnaire was self-distributed at the Head Office and the selected branches. List of names of employees were provided to the researcher by Department Managers and Branch Managers as appropriate and lottery method was applied in selecting respondents.

The questionnaire had, as its cover page, an explanation about the research to clarify points on the objective, the topic under study, and future use of the study. Participants were also given the telephone and e-mail address of the researcher in case of need for additional explanations on questions that were not clear to them. A follow-up visit was also done on the third day after the distribution of questionnaires for the same purpose.

3.8 Ethical Consideration

All participation in this research was voluntary and participants of the study were given a full description of the study before deciding to participate. The survey was kept anonymous/nameless for the research. The study was conducted in a straightforward manner and all the data that is analyzed is reported in the study.

3.9 Data Analysis

The Statistical Package for the Social Sciences was used to analyze the quantitative data (SPSS for Windows, Version 20.0). Initially, all data were entered into SPSS and few items were reverse coded from “1” to “5” as applicable. The statistical analyses

used also included reliability, mean and standard deviation, correlation, and multiple regressions.

Correlations were used to determine whether a relationship between the dependent and independent variables exists, and the strength or intensity of the relationship. Multiple regression analysis, on the other hand were used to determine the value of the dependent variable with respect to any value of the independent variable.

3.10 Validity and Reliability

Reliability refers to the degree to which measures are free from random error, and therefore, yield consistent results (Zikmund 1997). The scales of the six factorized variables were checked for internal consistency or reliability by applying reverse coding as appropriate and using Cronbach's Alpha in SPSS version 20.0. The results of the tests for each scale are shown in Table 3.2 in the next page.

Validity, on the other hand, refers to the ability of an instrument to measure what it is intended to measure. It is the degree to which the researcher has measured what he/she has set out to measure (Zikmund 1997). Content validity was measured first by having experts read through the questionnaire so that they can evaluate whether the questions effectively capture the topic under research. Second, pilot testing on a subset of the population was carried out.

Table 3.2: Reliability statistics

Serial No.	Variables	Number of Items	Cronbach's Alpha
1	Person Organization Fit (Selection)	4	0.757
2	Remuneration, reward, and recognition	5	0.881
3	Training and Career Development	4	0.851
4	Challenging Employment assignments and career opportunities	5	0.915
5	Organizational Commitment	9	0.861
6	Turnover Intention	4	0.967
TOTAL		31	0.872

The tool was pilot tested on 30 employees of Berhan International Bank comprising the various subgroups within the intended sample. The responses of respondents were scored and the reliability of the tool was determined using Cronbach's Alpha. The questionnaire has a total of 31 questions as shown in the above table.

The result indicates that the value of Cronbach's alpha equals to 0.872 proving that the scale is indeed reliable (Hair *et al.* 1992).

CHAPTER FOUR

Research Findings, Discussions, and Analysis

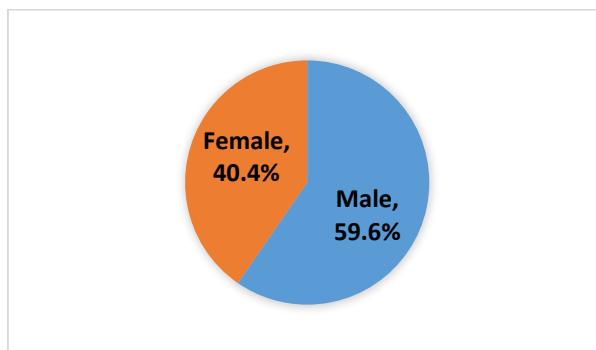
In this Chapter, the results of the study are reported. It also includes the demographic characteristics, mean and standard deviation, correlation analysis, and the outcomes of the regression tests.

4.1 Participant's Demographic Profile

A total of 196 questionnaires were distributed to respondents that work in the Head Office and the selected ten branches in Addis Ababa. The questionnaires returned are 166, with a response rate of 85%.

Information related to the demographic variables of respondents is displayed as follows.

Figure 4.1. Gender composition of respondents



As shown above, a relatively similar composition of male and female employees of the Bank were represented in the sample.

Figure 4.2 shows the age category of respondents. The demographic data of the Bank showed that most of the employees are in the younger age group which has also been exhibited in the data received from participants of the study.

Figure 4.2. Age composition of respondents

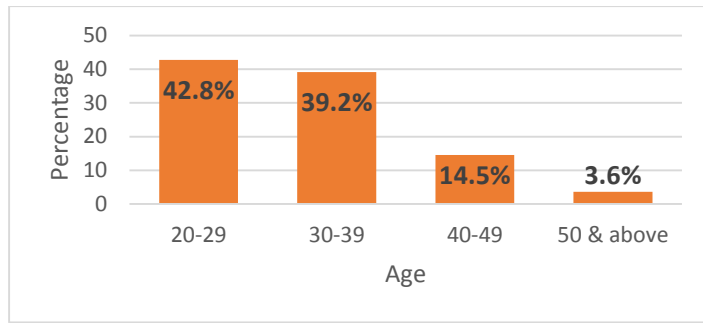
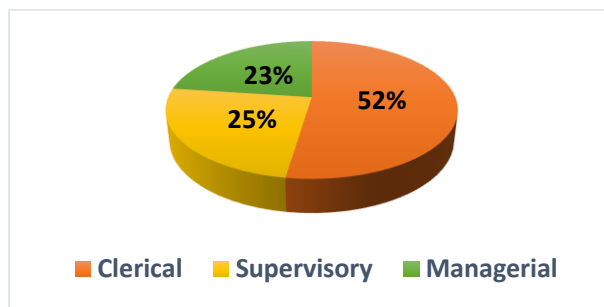


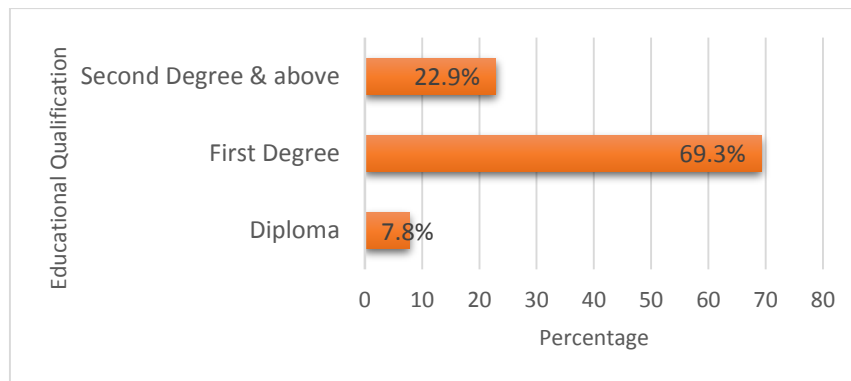
Figure 4.3. Position composition of respondents



The above figure shows that 52% of the respondents represented the Clerical position, 25% represented the Supervisory level, and 23% represented the Managerial positions confirming to a similar trend is of the demographic data of the Bank.

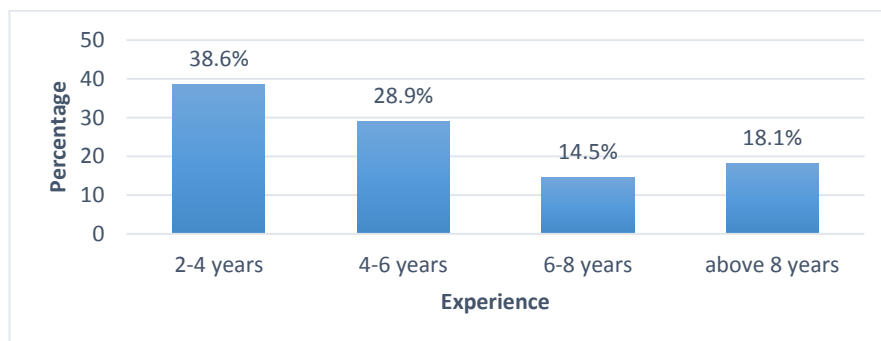
The data displayed in the figure below concerning the educational qualification of the respondents, shows that 69.3%, 22.9%, and 7.8% represented those who are qualified with first degree, second degree and above, and diploma respectively which resembles to the overall demographic data of the Bank's employees.

Figure 4.4. Composition of respondents by educational qualification



As shown in the Figure 4.5 in the next page, the percentage of years of experience declines as the number of years of employees of the Bank increases. More than half of the current employees of the Bank have less than two years of experience followed by close to 20% of the employees having two to four years of experience. A similar percentage also have four to six years of service while only 5% and 6% of the total employees have six to eight years and above eight years of experience.

Figure 4.5. Composition of respondents by experience



4.2 Descriptive Statistics of Study Variables

This section presents the respondents' perception on the independent, moderating, and dependent variables. The respondents were asked to indicate the extent to which they agreed and disagreed to statements relating to the variables under study on a five-point Likert scale (1=Strongly Disagree to 5= Strongly agree). A mean of above 3 is regarded to measure satisfaction on the test variables. Standard deviation was used to indicate the variation or "dispersion" from the "average" (mean). A low standard deviation indicates that the data points tend to be very close to the mean, whereas high

standard deviation indicates that the data is spread out over a large range of values. This is well elaborated in the table and narratives below which show the respondents and the statistics.

Table 4.1. Mean and Standard Deviation of Person-Organization Fit

	Min	Max	Mean	Standard Deviation
Person-Organization Fit (Selection)				
This Bank has the same values as I do with regard to concern for others.	1	5	4.07	.967
This Bank does not have the same value as I do with regard to fairness.	1	5	3.50	1.179
This Bank has the same values as I do with regard to honesty.	1	5	4.13	.961
I feel that my personal values are a good fit with the Bank's culture.	1	5	4.16	.860

The study found that all the various person-organization fit practices were used to a great extent in the Bank. It was observed that employees feel that their personal values are a good fit with the Bank's culture (mean = 4.16). The employees also believe that the Bank has the same values as they do with regard to honesty and concern for others (mean = 4.13 and 4.07 respectively). There is a higher level of disagreement among the employees concerning the value the Bank has on fairness (mean = 3.50). This is also supported by a higher standard deviation value which was reflected by a spread out of the rating over a large range of values.

Table 4.2. Mean and Standard Deviation of Remuneration, Reward, and Recognition

Remuneration, Reward, and Recognition				
	Min	Max	Mean	Standard Deviation
Employees are given positive recognition when they produce high quality work.	1	5	4.22	.962
The Bank pays well.	1	5	3.22	1.057
The Bank offers a good benefits package compared to other Banks in Addis Ababa.	1	5	2.72	1.126
The Bank values individual excellence over teamwork.	1	5	3.05	1.352
The Bank offers good opportunities for promotion.	1	5	4.00	.901

In relation to their satisfaction concerning the remuneration, reward and recognition scheme of the Bank, the respondents have agreed on the provision of the positive

recognition for high quality work and the good opportunities for promotion (mean 4.22 and 4.00 respectively). However, though the mean values are a little above 3.0, translating into the existence of some agreement, there is a high standard deviation value confirming the disagreement exhibited by the respondents when it comes to the Bank's payment and the value given to individual excellence over teamwork. In addition, it is found that the employees have not agreed to the statement if the Bank offers a good benefits package as compared to other Banks in Addis Ababa.

Table 4.3. Mean and Standard Deviation of Training and Career Development

Training and Career Development				
	Min	Max	Mean	Standard Deviation
People are properly oriented and trained upon joining the Bank.	1	5	3.67	1.074
The Bank does provide regular opportunities for personal and career development.	1	5	3.80	.878
Innovation and creativity are encouraged by the Bank.	1	5	4.05	.910
The Bank has career development activities to help an employee identify, and improve abilities, goals, strengths and weaknesses.	1	5	3.97	1.024

Looking at the training and career development variable, the respondents do agree on the Bank's provision for regular opportunities for personal and career development, encouragement for innovation and creativity, and the availability of career development activities to help an employee identify, and improve abilities, goals, strengths and weaknesses. The same applies on the fact that there exists a proper orientation and training of employees upon joining the Bank. However, the high standard deviation values for proper orientation and training and career development activities of the Bank show that there are differences in the employees' perception on these two factors.

Table 4.4. Mean and Standard Deviation of Challenging Employment Assignments and Career Opportunities

Challenging Employment Assignments and Career Opportunities				
	Min	Max	Mean	Standard Deviation
Employees are offered more challenging work within the Bank.	1	5	3.45	.982
Employees can work autonomously on their work assignments.	1	5	3.72	.777
Employees are skilled to do a number of different jobs, not just one particular job.	1	5	3.90	.982
Employees are given opportunities to learn new things.	1	5	3.98	.891
Employees are offered a good amount of variety in their job.	1	5	3.84	.862

Looking at the responses provided concerning challenging employment assignments and career opportunities, the respondents have agreed on all items except for the provision of more challenging work within the Bank where the mean is close to 3.00.

Table 4.5. Mean and Standard Deviation of Organizational Commitment

Organization Commitment				
	Min	Max	Mean	Std. Dev
I feel a strong sense of belonging to this Bank.	1	5	4.34	.905
I could just as well be working for a different Bank if the type of work was similar.	1	5	3.07	.935
Often I find it difficult to agree with this Bank's policies on important matters relating to its employees.	1	5	3.49	1.184
This Bank really inspires the very best in me in the way of job performance.	1	5	3.98	.894
I find that my values and the Bank's values are very similar	1	5	3.86	.823
There is little to be gained by sticking with this Bank indefinitely.	1	5	3.33	1.151
I am willing to put in a great deal more effort than normally expected to help this Bank be successful.	1	5	4.23	.784
I am proud to tell others that I am part of this Bank	1	5	4.43	.804
I really care about the fate of this Bank.	1	5	4.25	.776

The above table shows that most of the respondents have the commitment to their organization. They have, to some extent, expressed neutrality on the choice of working for another Bank and about sticking with the Bank indefinitely.

Table 4.6. Mean and Standard Deviation of Turnover Intention

Turnover Intention				
	Min	Max	Mean	Standard Deviation
I plan to work at my present job for as long as possible.	1	5	3.66	.989
I will most certainly look for a new job in the near future.	1	5	3.18	1.130
I plan to stay in this job for at least two to three years.	1	5	3.62	1.030
I would hate to quit this job.	1	5	3.31	1.117

The above table shows the mean values for all the items under turnover intention fall on the right side of the midpoint (3.00) to some extent but do not reach the next point. They also have higher values of standard deviation. This explains that there exists a high level of employee turnover intention within the Bank.

4.3 Correlation Analysis

Correlation is used to answer the question if there is a relationship between two variables and to quantify the strength of linear relationship between the variables.

Table 4.7. Correlation Result of Independent Variables

Correlations			
Human Resource Factors	Correlation Values	Organizational Commitment	Turnover Intention
Person-organization fit	Pearson Correlation	.687**	.355*
	Sig. (1-tailed)	.000	.000
Remuneration, reward, and recognition	Pearson Correlation	.152 [†]	.029
	Sig. (1-tailed)	.026	.353
Training and career development	Pearson Correlation	.507**	.475**
	Sig. (1-tailed)	.000	.000
Challenging employment assignments and career opportunities	Pearson Correlation	.544**	.496**
	Sig. (1-tailed)	.000	.000

* Correlation is significant at the 0.05 level (1-tailed)

** Correlation is significant at the 0.01 level (1-tailed)

The above correlation matrix indicated in Table 4.7, shows the following:

- There is a large and strong relationship between person organization fit and organizational commitment ($r=.687$, $P < 0.01$) while there is a medium relationship between person organization fit and turnover intention ($r = .355$, $P < 0.05$)
- There is a very small relationship between remuneration, reward, and recognition ($r = .152$, $P < 0.05$) and organizational commitment. However, there is no relationship between the remuneration, reward and recognition factor and turnover intention ($r = .029$, $P = .353$).
- A large and strong relationship is found between training and career development and organizational commitment ($r = .507$, $P < 0.01$) as opposed to a medium relationship between training and career development and turnover intention ($r = .475$, $P < 0.01$).
- Again there is a large and strong relationship between challenging employment assignment and career opportunities ($r=.544$, $p < 0.01$) and organizational commitment. The same result was also found in its relationship with intention to stay ($r=.496$, $p < 0.01$).

Therefore, it can be concluded that the turnover intention of employees of the Bank depends on the trends and practices of person-organization fit, training and career development, and challenging employment assignment and career opportunities.

Table 4.8. Pearson Correlation results between the mediating & dependent variables

Dependent Variables	Correlation Values	Organizational Commitment	Intention to stay
Organizational Commitment	Pearson Correlation	1	.464**
	Sig. (1-tailed)		.000
Intention to stay	Pearson Correlation	.464**	1
	Sig. (1-tailed)	.000	

** Correlations is significant at the 0.01 level (1-tailed)

The association between organizational commitment and intention to stay ($r = 0.464$, $p < 0.01$) was strong, positive, and significant. Therefore, as the correlation analysis indicates, there are significant relationships between the identified factors and organizational commitment and with the exception of remuneration, reward and recognition for intention to stay.

4.4. Common Assumption Tests

The following are common assumption tests of the multiple linear regression done in this study.

4.4.1 Multicollinearity Test

This assumption assumes that the independent variables are not highly correlated with each other. This assumption is tested by the Variance Inflation Factor (VIF) statistic as follows.

Table 4.9. Multicollinearity Diagnosis

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Person-organization fit	.840	1.191
Remuneration, reward, and recognition	.925	1.082
Training and career development	.581	1.722
Challenging employment assignments and career opportunities	.569	1.757

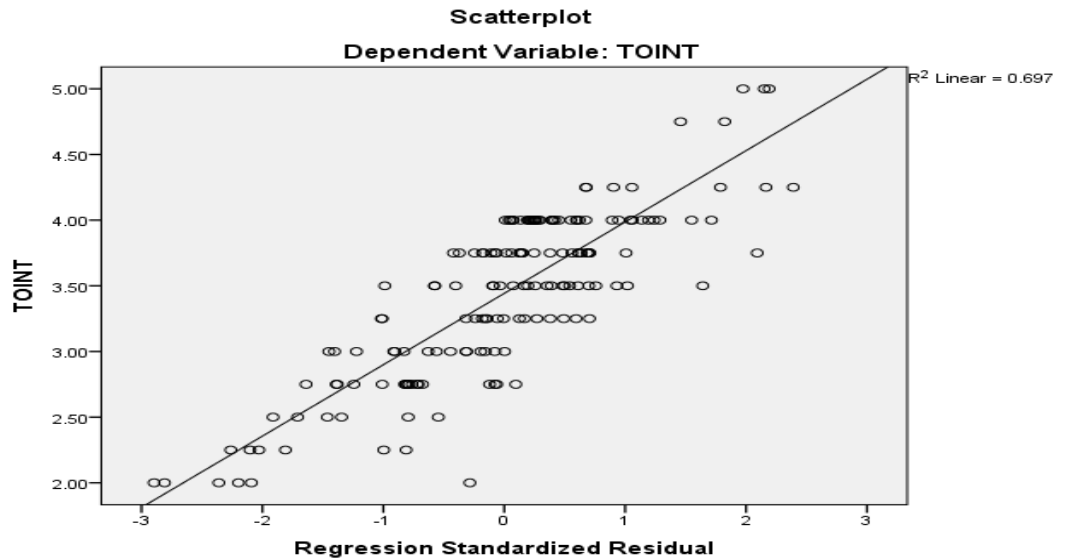
The above table shows that all tolerance levels are more than 0.2 (Menard, 1995), and VIF is less than 10 (Myers, 1990) proving that there is no multicollinearity problem.

4.4.2 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the dependent variable (turnover intention) and the independent variables (person-organization fit, remuneration, reward, and recognition, training and career development, and challenging employment

assignments and career opportunities) is linear, plots of the regression residuals through SPSS had been used.

Figure 4.6 Linearity Test

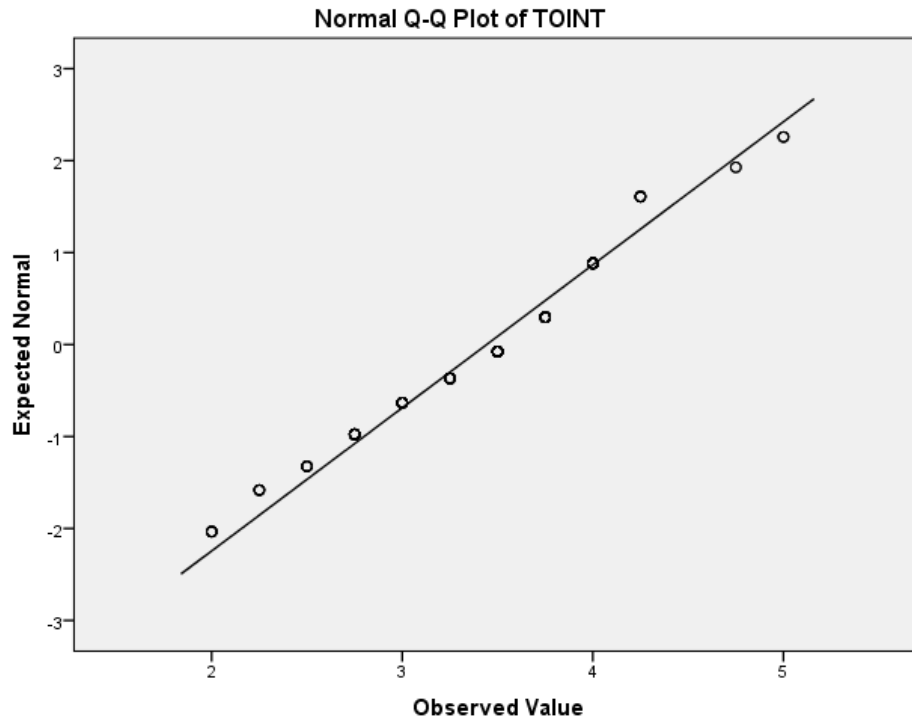


The scatter plot of residuals shows no large difference in the spread of the residuals as we look from the left to the right in the above figure. This result suggest that the relationship that is being predicted is linear. Hence, the normality assumption is fulfilled.

4.4.3 Normality Test

The following figure shows the frequency distribution of the standardized residuals compared to a normal distribution. As can be seen from the figure, the data points are close to the diagonal line confirming that there is normality.

Figure 4.7. Normal Q plot of standardized residual

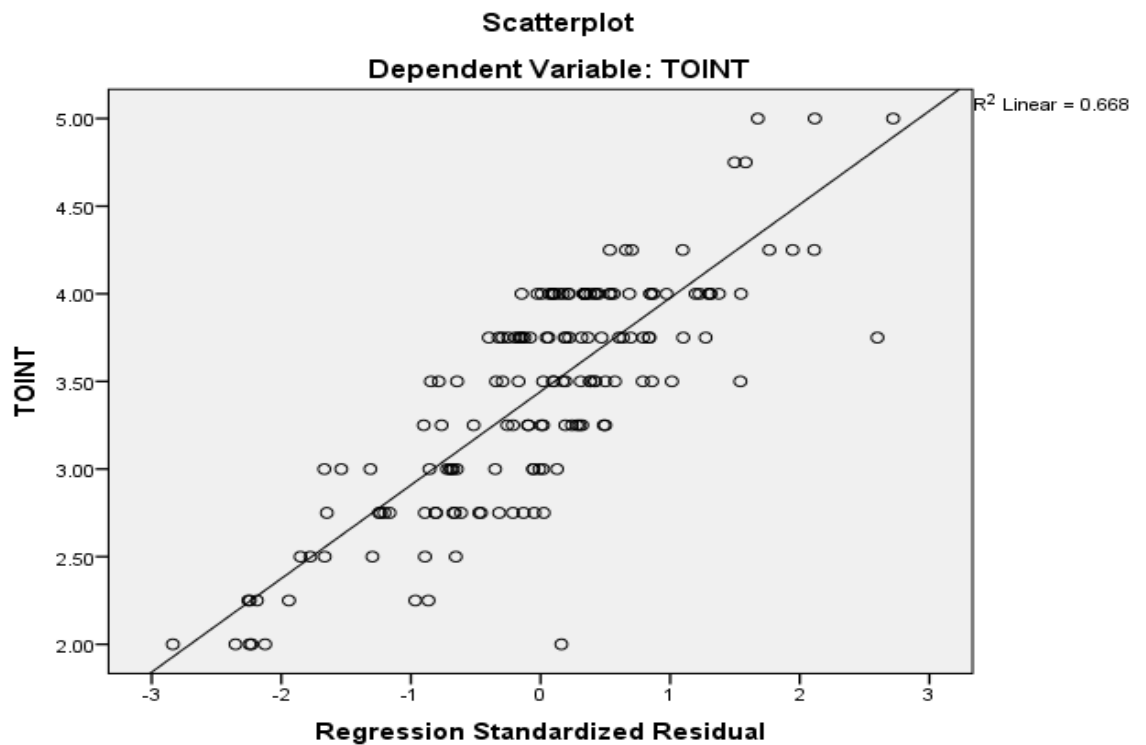


4.4.4. Homoscedasticity

According to Tabachnick and Fidell (2001), this assumption requires that the variance of error terms are similar across the independent variables. This assumption can be checked by visual examination of a plot of the standardized residuals (the errors) by the regression standardized predicted value.

The next figure shows that the amount of error or the distance from the line to the dots stays constantly similar and confirms that we have homoscedasticity.

Figure 4.8. Scatterplot for testing homoscedasticity



4.5. Multiple Regression Analysis

4.5.1. Model Specification

It refers to the determination of which independent variables should be included in or excluded from a regression equation. The following three models are used to find the statistically significant factor affecting turnover intention.

$$OC = b_0 + b_1POF + b_2RRAR + b_3TADCD + b_4CEACO + \epsilon_i$$

$$TOINT = b_0 + b_1POF + b_2RRAR + b_3TADCD + b_4CEACO + b_5OC + \epsilon_i$$

$$TOINT = b_0 + b_1POF + b_2RRAR + b_3TADCD + b_4CEACO + \epsilon_i$$

Where *OC* represents *Organizational Commitment*, *TOINT* represents *turnover Intention*, *POF* represents *Person-Organization Fit*, *RRAR* is *Remuneration, Reward, and Recognition*, *TACD* is *Training and Career Development*, and *CEACO* represents *Challenging Employment Assignments and Career Opportunities*.

4.5.2. Regression Results

In this research, the “Unstandardized beta coefficient” and the “Adjusted R²” values are used to analyze the results of the regression. The unstandardized beta coefficients represent the amount by which the dependent variable changes with one unit change in the independent variable keeping others constant, while the Adjusted R Squared figure shows the extent to which the change in the independent variable explains the dependent variable.

Table 4.10. Regression Results for Organizational Commitment as Dependent Variable

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
1	(Constant)	1.365	.219		6.225	.000	
	Person-organization fit	.377	.044	.529	8.508	.000	
	Remuneration, reward, and recognition	.046	.046	.055	1.015	.312	
	Training and career development	.095	.045	.149	2.106	.037	
	Challenging employment assignments and career opportunities	.132	.053	.180	2.468	.015	
	R						.738
	R ²						.545
	Adjusted R ²						.534
	Std. Error of the Estimate						.34819

The above multiple regression analysis shows that the independent variables explained 53.4% of the variance in organizational commitment ($R^2=54.5$, $F(df1,df2)=\dots$, $p<0.01$). It was found that person-organization fit was the strongest predictor for organizational commitment ($\beta = 0.377$, $p = 0.000$) followed by challenging employment assignments and career opportunities ($\beta = 0.132$, $p = 0.015$), training and career development ($\beta = 0.095$, $p = 0.037$). Remuneration, reward, and recognition has been found to have no effect on organizational commitment as indicated in the regression table ($\beta = 0.46$, $p = n.s.$).

Table 4.11 Regression Results (Unstandardized Coefficients) for Turnover Intention as Dependent Variable

Model		Coefficients			t	Sig.	
		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta			
1	(Constant)	1.533	.342		4.481	.000	
	Person-organization fit	.091	.069	.101	1.315	.190	
	Remuneration, reward, and recognition	-.085	.071	-.080	-1.191	.235	
	Training and career development	.207	.071	.257	2.934	.004	
	Challenging employment assignments and career opportunities	.275	.083	.297	3.300	.001	
	R					.550	
	R ²					.303	
	Adjusted R ²					.286	
	Std. Error of the Estimate					.54342	

The results of regression analysis indicated that the independent variables explained 28.6% of the variance in turnover intention ($R^2=30.03$, $F(df1,df2)=\dots$, $p<0.01$). Table 4.11 shows that, challenging employment assignments and career opportunities is the strongest predictor of turnover intention ($\beta = .275$, $p=.001$) followed by training and career development ($\beta = .207$, $p=.004$). However, person-organization fit is not a predictor of turnover intention ($\beta =.091$, $p=n. s$) and has not been found to be significant ($p > 0.05$). Remuneration, reward, and recognition is also found to have no effect on turnover intention ($\beta =-.085$, $p=n.s$).

Therefore, the overall results show that only challenging employment assignments and career opportunities and training and career development have a positive and significant impact on turnover intention.

Table 4.12 Regression Results (Unstandardized Coefficients) for Turnover Intention with the mediation of organizational commitment

Model		Coefficients			t	Sig.	
		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta			
1	(Constant)	1.099	.374		2.938	.004	
	Person-organization fit	-.029	.082	-.032	-.353	.725	
	Remuneration, reward, and recognition	-.100	.070	-.094	-1.419	.158	
	Training and career development	.177	.070	.219	2.517	.013	
	Challenging employment assignments and career opportunities	.233	.083	.252	2.796	.006	
	Organizational commitment	.318	.121	.252	2.631	.009	
	R					.576	
	R ²					.332	
	Adjusted R ²					.311	
	Std. Error of the Estimate					.53370	

To determine the role of organizational commitment in the effect of the selected human resource practices on turnover intention, hierarchical regression analyses were performed. According to Baron and Kenny (1986), a moderator variable, commonly denoted as just M, is a third variable that affects the strength of the relationship between a dependent and independent variable. Most of the moderator variables measure causal relationship using regression coefficient. The moderator variable, if found to be significant, can cause an amplifying or weakening effect between x and y.

As per the results of Table 4.12, the strength of the relationship decreased in the case of challenging employment assignments and career opportunities ($b = .275$, $p = .001$), training and career development ($b = .177$, $p = .013$), and remuneration, reward, and recognition ($b = -.100$, $p = .235$) and person-organization fit ($b = -.029$, $p = .190$). Therefore, the results confirm that organizational commitment is indeed a moderator of the effect of the selected human resource factors on turnover intention in that it showed a weakening effect on the beta values of each of the variables and it was also found significant ($b = .318$, $p = .009$). In addition to that, it is shown that all the predictors i.e. the selected human resource factors and organizational commitment contributed to 31.1% of the variance in turnover intention.

CHAPTER FIVE

Summary of Findings, Conclusion, and Recommendation

This chapter will provide a summary of the purpose, methodology, and results of the study. Then, conclusions will be discussed based on researcher's insights gained regarding study findings and limitations. In addition, recommendations are presented for the Bank under the study and for other professionals interested in pursuing additional research to exceed the scope and findings of this study.

5.1 Summary of findings

By investigating the relationship between the selected human resource practices and turnover intention, and also by quantitatively testing the effect of the independent variables; person-organization fit (selection), remuneration, reward, and recognition, training and career development, challenging employment assignments and career opportunities, and organizational commitment on turnover intention,

Descriptive statistics (mean and standard deviation), correlation and regression analysis were used to test the strength and direction of relationship between the independent variables and the dependent variable and the moderator variable.

Correlation coefficient was computed for the purpose of determining the strength of the relationship that exists between the selected human resource practices and employees' turnover intention. The result of the correlation tests revealed positive and significant relationship with both organizational commitment and turnover intention except for remuneration, reward, and recognition which came up as weak and insignificant.

Regression analysis was made to be able to answer the questions that were initially set. All the selected human resource practices, except remuneration, reward, and recognition were found positively and significantly affecting organizational commitment.

On the other hand, challenging employment assignment and career opportunities and training and career development were found to be positively and significantly affecting turnover intention of employees of the Bank. Person-organization was found to be weak and insignificantly affecting turnover intention while remuneration, reward, and recognition was negatively and insignificantly affecting turnover intention.

Multiple regressions were made to spot the role of organizational commitment on the effect of the selected human resource management practices on turnover intention. Regression was made both by making organizational commitment as dependent and independent variable for testing their relationship. By regressing organizational commitment with human resource practices, a change from 28.6% to 31.1% of contribution to the variance in turnover intention was observed showing that organizational commitment is a moderator of the relationship between the selected human resource practices and turnover intention.

In summary, the findings of the study show that turnover intention is being negatively affected by remuneration, reward, and recognition. The result of the research demonstrated that the relationships between the human resource practices and turnover intention have produced few large correlations. One explanation for the low organizational commitment-turnover correlation is that other variables probably moderate this relationship.

5.2 Conclusion

The purpose of this study was to examine the effect of the selected human resource practices on turnover intention of employees in the case of Berhan International Bank S.C.

Based on the results of the study, it can be concluded that challenging employment assignments and career opportunities and training and career development schemes provided by the Bank indeed influence positively the decision of the employees' on intention to stay thereby minimizing turnover intention. Employees who felt that the Bank failed to give them challenging and interesting work, freedom to be creative,

opportunities to develop new skills, and autonomy and control were more likely to express negativity and lack of loyalty towards the Bank.

The highly committed employees of the Bank were also found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment. Organizational Commitment was significantly and inversely related to turnover intention of the employees of the Bank thereby confirming that it moderates the relationship between the human resource management practices and turnover intention of employees.

5.3 Recommendations

From the summary of the findings made from examining the relationship between the selected human resource practices and employee turnover intention and review of related literatures, the following points are forwarded as recommendation in order to help the Bank solve the identified gap related to employee turnover intention and to foster better retention practices.

- The Bank needs to examine the effectiveness of the actual person-organization fit in predicting employee turnover intention. This can be done during the processes of employee selection, which requires an understanding of person-organization fit that occurs beyond matching the knowledge, skill and abilities of the candidates i.e. giving an emphasis to general types of qualifications and dispositions on the part of the recruit can be part of an effective retention strategy. Orientation practices can also be of crucial importance to make workers stay over a longer time. Good initial orientation to the newly-hired employee can not only help to effectively integrate that person into the workplace but also help to make the new person feel welcome and provide him or her information about how to cope with the demands of the workplace, and any possible problems that may arise.
- In order to maintain productive employees in the Bank, revision of the current remuneration, reward, and recognition scheme must be undertaken for the improvement and implementation of a competitive and fair remuneration, reward,

and recognition scheme. This can demonstrate to its employees that the Bank is supportive and fair. It will also be an evidence to suggest that benefits are at the top of the list of reasons why employees choose to stay with the Bank or to join it in the first place. Flexibility in benefits packages can also enhance retention, as it creates responsiveness to the specific needs and circumstances of individual employees.

- Keeping up the training and career development practice of the Bank to ensure the provision of opportunities for every employee, in order to ensure that the workforce is highly skilled and thereby enhancing employees' organizational citizenship and commitment, and bring direct positive impact on employee intention to stay. The Bank can adapt one of the most common retention strategies, which is job rotation. Job rotation is the practice of moving the employees around different functions of the organization with a clear emphasis on making sure that they operate in domains other than the ones assigned to them initially. This ensures that the employees get trained on competencies beyond that of their assigned role and this would lead to greater motivation to pick up additional skills and motivate them to perform better.
- Additional effort should be exerted by the Bank to sustain the provision of challenging employment assignments and opportunities. This can be fostered through cross-functional career development. This technique allows the long-term employees which the organization views as having overall leadership potential to move from one area of the Bank where they have succeeded to another area where they have no experience. Moving high-calibre employees in this manner not only assures that they will be challenged, but begins to build employees with enough breadth of experience to assume senior leadership roles with the Bank.

References

- Adamsky, H. (2005), “6 ways recruiters can support building a better organization: Initiatives to focus on in the coming year”, www.erexchange.com
- Ahmed, S., & Akhtar, M. (2012). Development of scale to assess effective execution of human resources practices for general public sector universities. *International Journal of Applied Science and Technology*, 2(7), 211-223.
- Alemayehu, G. (2001), The structure and performance of Ethiopian’s financial sector in the present and post Reform period: with special focus on banking. Work paper, unpublished.
- Allen, D. G., Shore, L. M., & Griffeth, R. W. The role of perceived organizational support and supportive human resource practices in the turnover process [J]. *Journal of Management*, 2003, 29, 99-118.
- Armstrong, M. (2003): *A Handbook of Human Resource Management Practice*, 9th edn, Kogan Page, London.
- Armstrong, M. (2007): *Reward Management: A Handbook of Remuneration Strategy and Practice*. London, Kogan Page Limited.
- Armstrong, M. (2012). *Armstrong’s Handbook of Human Resource Management Practice*. New York, NY: Kogan Page Publishers.
- Arnold, H.J., and Feldman, D.C. (1992), ‘A Multivariate Analysis of the Determinants of Job Turnover,’ *Journal of Applied Psychology*, 67, 350–360.
- Arthur, J. (1994), ‘Effects of human resource systems on manufacturing performance and turnover.’ In *Academy of Management Journal*, v37, pp. 670-87.

- Asiedu-Appriah, F., Kontor, E., and Asamoah D. (2013), 'Effect of human resource management practise on employee retention; perspectives from the mining industry in Ghana.' *International Research Journal of Arts and Social Sciences*, V2 (2), pp. 30-48.
- Ajzen, I., and Fishbein, M. (2000). *Understanding Attitude and Predicting Social Behavior*. PrenticeHall, Englewood Cliffs, NJ.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic and statistical considerations. *Journal of Personality and Social Psychology*, 51, 1173-1182
- Beck, S. (2001). 'Why Associates Leave, and Strategies To Keep Them.' In *American Lawyer Media L.P.*, v5, i2, pp. 23-27.
- Becker, B. & Gerhart, B. (1996), 'The impact of human resource management on organizational performance: Progress and prospects.' In *Academy of Management Journal*, v39, pp. 779-801.
- Berndt, T. (1981). Effects of Friendship on Prosocial Intentions and Behavior. *Child Development* 52, 636-643.
- Bidisha, L. D & Mukulesh, B. (2013) Employee Retention: A Review of Literature. *Journal of Business and Management*, 14, 8-16.
- Bluedorn, A.C. (1992), 'The Theories of Turnover; Causes, Effects and Meaning,' *Research in the Sociology of Organization*, 1, 75–128.
- Boon, C., Den Hartog, D. N., Boselie, P., Paauwe, J. (2011). The relationship between perceptions of HR practices and employee outcomes: examining the role of person–organization and person–job fit [J]. *The International Journal of Human Resource Management*, Vol. 22, 138-162

- Branham, L. (2005). The seven hidden reasons employees leave: How to recognize the subtle signs and act before it is too late (pp.4-7). New York, NY: AMACOM.
- Bretz, RD, Judge, TA (1994). Person-organization fit and the theory of work adjustment: Implications for satisfaction, tenure, and career success. *Journal of Vocational Behavior*. 44: 32–54.
- Cable, D. and Judge, TA (1994). Pay preferences and job search decisions: A Person-organization fit perspective. *Personnel Psychology*, 47:317-348
- Capelli, P (2000): A market-driven approach to retaining talent, *Harvard Business Review*, Jan-Feb, pp 103-111.
- Carmeli, A., and Weisberg, J. (2006), ‘Exploring Turnover Intentions Among Three Professional Groups of Employees,’ *Human Resource Development International*, 9, 191–206.
- Chaminade, B (2007). A retention checklist: how do you rate? www.humanresourcesmagazine.co.au.
- Chatman, J. (1989). Improving Interactional Organizational Research: A Model of Person-Organization Fit. *The Academy of Management Review*, 14(3):333-349.
- Chew, J., and Chan, C.C.A. (2008), ‘Human Resource Practices, Organizational Commitment and Intention to Stay,’ *International Journal of Manpower*, 29, 6, 503–522.
- Chew, J., & Entekin, L. (2004). Retention Management of Critical (core) Employees: A challenging issue confronting organisations in the 21st century. *International Business and Economic Research Journal*, Vol. 3No.2, pp. 19-35

- Chew, J., Girardi, A. and Entrekin, L. (2005), "Retaining core staff: the impact of human resource practices of organization commitment", *Journal of Comparative International Management*, Vol. 8 No. 2, pp. 23-42.
- Chipunza, C. (2009) Employee retention and turnover: Using motivational variables as a panacea, *African Journal of Business Management* Vol.3 (8), pp. 410 - 415 ISSN 1993 - 8233
- Cho, S., Johanson, M.M., & Guchait, P. (2009). Employees Intent to Leave: A Comparison of Determinants of Intent to Leave Versus Intent to Stay. *International Journal of Hospitality Management*, 28, 374–381.
- Clarke, K. (2001). 'What businesses are doing to attract and retain employee—becoming an employer of choice.' In *Employee Benefits Journal*, March, pp. 34-37.
- Cochran, W. (1977). *Sampling Techniques*, 2nd Ed., New York: John Wiley and Sons, Inc.
- Cotton, J.L., and Tuttle, J.M. (1996), 'Employee Turnover: A Meta-Analysis and Review with Implication for Research,' *Academy Management Journal*, 11, 55–70.
- Creswell, J. (2014). *Qualitative inquiry and research design: Choosing among five traditions*. London: Sage.
- Cummann, C., Fichman, M., Jenkins, D. and Klesh, J. (1979), *The Michigan Organisational Assessment Questionnaire*, University of Michigan, Ann Arbor, MI.
- Daft, R.L. (2008). *Organization Theory and Design* (10th ed.) USA: South-Western Cengage Learning.
- Danish, R., & Usman, A. (2010). Impact of Reward and Recognition on Job Satisfaction and Motivation: An Empirical Study from Pakistan. *International Journal of Business and Management*, 5 (2), 159-167.

Davies, R. (2001) 'How to boost Staff Retention.' In *People Management*, v7, i8, April 19, pp. 54-56.

Deepak, S., Williamson, I., and Lorinkova, N. (2008) Gone But Not Lost: The Different Performance Impacts of Employee Mobility Between Cooperators Versus Competitors," *Academy of Management Journal*, 51 (5) (2008): 936–953

Deery, M. (2007): Talent management, work-life balance and retention strategies: *International Journal of Contemporary Hospitality Management* Vol. 20 No. 7, 2008 pp. 792-806

Delery, J. E., and Doty, D. H. (1996), —Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions, *Academy of Management Journal*, Vol.39, No.4, pp. 802-835

Delery, J.E. (1998). 'Issues of fit in strategic human resource management: implications for research.' In *Human Resource Management Review*, v8, pp. 289-309.

Demo, G., Neiva, E. R., Nunes, I., Rozzett, K. (2012). Human resources management policies and practices scale: Exploratory and confirmatory factor analysis [J]. *BAR - Brazilian Administration Review*, 2012, 9, 395-420

Dörnyei, Z. (2007). *Research methods in applied linguistics: Quantitative, qualitative and mixed methodologies*. Oxford: Oxford University Press.

Edralin, M.D. (2011). Training and Development Practices of Large Philippines Companies. *Asia Pacific Business Review*, 17(2), 225-239.

Ethiopian Business Review: 2nd Year, July 2014, Number 16

- Farzaneh, J., Farashah, A., & Kazemi, M. (2014). The impact of person-job fit and person-organization fit on OCB: The mediating and moderating effects of organizational commitment and psychological empowerment. *Personnel Review*, 43 (5), 672-691. [http://dx.doi.org/ 10.1108/PR-07-2013-0118](http://dx.doi.org/10.1108/PR-07-2013-0118)
- Firth, L., Mellor, D.J., Moore, K.A., and Loquet, C. (2004), 'How Can Managers Reduce Employee Intention to Quit?' *Journal of Managerial Psychology*, 19, 2, 170–187.
- Fishman, C. (1998), "Sanity Inc.," *Fast Company* 21 (December 1998): 84. 2. John P. Hausknecht, Charlie O. Trevor, and Michael
- Fitz-enz, J. (1990). 'Getting and keeping good employees.' In *Personnel*, August, v67, n8, pp. 25-29.
- Frankeiss, A. (2008), "Mining the good from the goodbyes". *Human resource management international digest*.
- Frazis, H., Gittleman, M., Horrigan, M. and Joyce, M. (1998). Results from the 1995 survey of employer provided training. In *Monthly labour review*.21 (6): 3-14.
- Gaiduk, R., & Gaiduk, J. (2009). Limiting the brain drain: Determinants of employee organisational attachment in Lithuania. *Baltic Journal of Management*, 4(2), 149 - 168.
- Giauque, D., Resenterra, F., & Siggen, M. (2010). The relationship between HRM practices and organizational commitment of knowledge workers: Facts obtained from Swiss SMEs. *Human Resource Development International*, 13(2), 185-205.
- Gould-Williams, J., and Mohamed, R.B. (2010), 'A Comparative Study of the Effects of 'Best Practice' HRM on Worker Outcomes in Malaysia and England Local Government,' *The International Journal of Human Resource Management*, 21, 5, 653–675.

- Gray, R.A., Niehoff, B.P., & Miller, J.L. (2000). The Effect of Job Characteristics on Student Employee Job Satisfaction and Intend to Turnover in College and University Food Service. *Journal of the National Association of College & University Foodservices*, 21, 14-29.
- Gregory BT, Albritton MD, Osmonbekov T (2010). The Mediating Role of Psychological Empowerment on the Relationships between P–O Fit, Job Satisfaction, and In-role Performance. *Journal Of Business Psychology*, 639-647.
- Grissom, J. a., Nicholson-Crotty, J., & Keiser, L. (2012). Does my Boss’s gender matter? Explaining job satisfaction and employee turnover in the public sector. *Journal of Public Administration Research and Theory*, 22(4), 649–673.
- Guerci, M., Radaelli, G., Siletti, E., Cirella, S., & Shani, R. (2015). The Impact of Human Resource Management Practices and Corporate Sustainability on Organizational Ethical Climates: An Employee Perspective. *Journal of Business*, 126, 325-342.
- Gumbus, F.L. and C.R. Johnson, 2003. Employee Friendly Initiatives at Futura. Leadership Survey, Certification and a Training Matrix and an Annual Performance and Personal Development Review
- Haider, M., Rasli, A., Akhtar, C., & Yusoff, R. (2015). The Impact of Human Resource Practices on Employee Retention in the Telecom Sector: *International Journal of Economics and Financial Issues*, Vol 5 No. 1S (2015), pp 63-69
- Hoffman JB, Woehr JD (2006). A quantitative review of the relationship between person–organization fit and behavioral outcomes. *Journal of Vocational Behavior*. (68):389–399.
- Howard, J. “Unit-Level Turnover Rates and Customer Service Quality: Implications of Group Cohesiveness, Newcomer Concentration, and Size,” *Journal of Applied Psychology* 94 (2009): 1068–1075.

- Huselid, M. A. (1995). 'The impact of human resource management practices on turnover, productivity, and corporate financial performance.' In *Academy of Management Journal*, v38, pp. 635-72.
- Igbaria, M. and Greenhaus, J. H. (2002). Determinants of MIS Employees' Turnover Intentions: A Structural Equation Model. *Communications of the ACM, Internet Research*, 35(2), 35-49
- Igbaria, M., Meredith, G., and Smith, C.D. (2004), 'Predictors of Intentions of IS Professionals to Stay With the Organization in South Africa,' *Information and Management*, 26, 245–256.
- Ingram, N.T., and Lee, S.K. (2005), 'Sales Force Commitment and Turnover,' *Industrial Marketing Management*, 19, 149–154.
- International Business & Economics Research Journal: Volume 3 Number 2: Retention Management Of Critical (Core) Employees – A Challenging Issue Confronting Organisations: In The 21st Century: Janet Chew and Lanny Entrekkin
- Isiaka S.B. (2011), Motive for training and management development in the Nigerian Banking Industry. *Asia Social Science*. Vol. 7, No 3, March 2011
- Ito, J. K., & Brotheridge, C. M. (2005). Does supporting employees' career adaptability lead to commitment, turnover, or both? *Human Resource Management*, 44, 5-20.
- Jackson, S.E. and Schuler, R.S. (1995). 'Understanding human resource management in the context of organizations and their environments. In *Annual Review of Psychology*, ed. J.T. Spence, J.M. Darley and D.J. Foss, v46, pp. 237-64. Palo Alto, CA: Annual Reviews.
- Jackson, S., Schuler, R., & Werner, S. (2009). *Managing Human Resource*. (10th Ed). Canada: International students Edition.

- Jiang, Z., Xiao, Q., I, H., & Xiao, L. (2009). Total Rewards Strategy: A Human Resources Management Strategy Going with the Trend of the Times. *International Journal of Business and Management*, 4 (11), 177-184.
- Joarder, M., Sharif, M. & Ahmed, K. (2011). Mediating role of an effective commitment in HRM practices and turnover intention relationship: A study in a developing context. *Business and Economics Research Journal*, 2(4), 135-158.
- Khan, F., Yusoff, R.M., Khan, A. (2014), Effect of human resource practices on job satisfaction in Pakistan. *Sains Humanika*, 1(1), 5.
- Khan, M. A. (2010). Effects of human resource management practices on organisational performance - an empirical study of oil and gas industry in Pakistan. *European Journal of Economics, Finance and Administrative Sciences*, 24, 158-175.
- Kothari, C.R., (1984). *Quantitative Techniques*, 2nd ed., New Delhi: Vikas Publishing House Pvt. Ltd.
- Kristof, A.L. (1996). Person-Organization Fit: An Integrative Review of its Conceptualizations, Measurement, and implications. *Personnel Psychology*, 49(1):1-49.
- Kristof-Brown, A.L., Zimmerman, R.D. and Johnson, E.,C. (2005), "Consequences of Individuals" fit at work: a meta-analysis of person-job, person-organization, person-group, and person-supervisor fit", *Journal of Personnel Psychology*, vol. 58, pp. 281-342
- Kwenin, D. O. (2013). Relationship between work environment, career development opportunities and employee retention in Vodafone Ghana Limited. *Global Journal Of Human Resource Management*, 1(4), pp. 1-9

- Lam, W., Chen, Z.G., and Takeuchi, N. (2009), 'Perceived Human Resource Management Practices and Intention to Leave of Employees: The Mediating Role of Organizational Citizenship Behaviour in a Sino-Japanese Joint Venture,' *International Journal of Human Resource Management*, 20, 11, 2250–2270.
- Larson, S. A., & Hewitt, A.S. (2005). Staff recruitment, retention & training strategies for community human service organizations. Baltimore: Paul H. Brooks publishing company. pp 23-34
- Lauver KJ, Brown AK (2001). Distinguishing between Employees' Perceptions of Person–Job and Person–Organization Fit. *Journal of Vocational Behavior*, 454-470.
- Lee, K., & Allen, N (2002). Organizational citizenship behavior and workplace deviance: The role of affect and cognitions. *Journal of Applied Psychology*, 87(1), 131-142. DOI: 10.1037//0021-9010.87.1.131
- Likert, R. (1961). *New Patters of Management*, McGraw-Hill, New York, NY.
- Lockwood, N. R. (2006). Talent management: Driver for organization success. *Research Quarterly*, 1 - 13. Retrieved February 2017, from <http://www.shrm.org>
- Long, C. S., Perumal, P., and Ajagbe, M.A. (2012): The Impact of Human Resource Management Practices on Employees' Turnover Intention: A Conceptual Model, *Interdisciplinary Journal of Contemporary Research in Business*, Vol. 4, No. 2, June 2012.
- Loquercio, D. (2006). Turnover and retention: A summary of current literature. Retrieved from <http://www.peopleinaid.org/pool/files/publications/turnover-andretention-lit-review-jan-2006.pdf>
- López, S., Peón, J., & Ordás, C. (2006). Human resource management as a determining factor in organizational learning. *Management Learning*, 37 (2), 215-239. <http://dx.doi.org/10.1177/1350507606063443>

- Lumley EJ, Coetzee M, Tladinyane R, Ferreira N. Exploring the job Satisfaction and Organizational Commitment of Employees in the Information Technology Environment. *Southern African Business Review*, 2011; 15(1):100-118. Retrieved from <http://www.ajol.info/index.php/sabr/article/view/76394>
- MacBeath, J., G. Oduro, J. Jacka and R. Hobby, 2006. *Leading Appointments: The Selection and Appointment of Head Teachers and Senior Leaders: A Review of the Literature*. National College for School Leadership, Nottingham, UK.
- MacDuffie, J. (1995). 'Human resource bundles and manufacturing performance: organizational logic and flexible production systems in the world auto industry.' In *Industrial and Labor Relations Review*, V48, pp. 197-221.
- Manas, T., & Graham, M. (2003). *Creating a Total Rewards Strategy: A Toolkit for Designing*. Washington, American Management Association.
- March, J. G., & Simon, H. A. (1958). *Organizations*. New York: John Wiley and Sons.
- Marchington, M. and Wilkinson, A. (1997). *Core Personnel and Development*. London, Institute of Personnel and Development.
- Marescaux, E., Winne, S., & Sels, L. (2012). HR practices and HRM outcomes: the role of basic need satisfaction. *Personnel Review*, 42 (1), 4-27. <http://dx.doi.org/10.1108/00483481311285200>.
- Mathis, R. L., & Jackson, J. H. (2004). *Human Resource Management (11th ed.)*, Singapore: Thomson Asia Pte. Ltd.
- McCulloch, M. C., & Turban, D. B. (2007). Using Person–Organization Fit to Select Employees for High-Turnover Jobs. *International Journal of Selection and Assessment*, 15(1):63-71.

- Memon, S.B., Panhwar, A.I. & Rohra, L.C. (2010). Investigating the Mediating Role of Human Resource Policies in Employee Retention. *Australian Journal of Basic and Applied Sciences*, 4(8), 4046-4057.
- Mercer Human Resource Department Report. (2003). *Mercer study raises red flags for employer pay and benefit plans (findings of the 2002 People at work survey. (8-15).*
- Meyer, J.P., & Allen, N.J. (1991). A three component Conceptualization of organizational commitment. *Human Resources Management Review*, 1, 61-98.
- Meyer, J. and Allen, N. (1997), “Commitment in the Workplace: Theory, Research, and Application”, Sage Publications.
- Meyer, J. P., Hecht, T. D., Gill, H., & Toplonysky, L. (2010). Person–organization (culture) fit and employee commitment under conditions of organizational change: A longitudinal study. *Journal of Vocational Behavior*, 458–473.
- Minbaeva, D. B. (2005), —HRM practices and MNC knowledge transfer, *Personal Review*, Vol.34, No.1, pp. 125- 144.
- Miller, H.E., Katerberg, R., and Hulin, C.L. (1999), ‘Evaluation of the Mobley, Horner and Hollingworth Model of Employee Turnover,’ *Journal of Applied Psychology*, 64, 509–517.
- Mita, M., Aarti K. and Ravneeta, D. (2014) Study on Employee Retention and Commitment. *International Journal of Advance Research in Computer Science and Management Studies*, 2, 154-164.
- Mobley, W.H., Griffith, R.W., Hand, H.H., and Meglino, B.M. (1999), ‘Review and Conceptual Analysis of the Employee Turnover Process,’ *Psychology Bulletin*, 86, 493–522.

- Morris, S., & Snell, S. (2010). The Evolution of HR strategy: adaptations to increasing global complexity. In A. Wilkinson, N. Bacon, T. Redman, S. Snell (Eds.), *The SAGE handbook of human resource management* (pp. 84-99). London: Sage
- Nair, S. (2009), Employee Retention. Available from: <http://www.articlesbase.com/human-resources-articles/employee-retention-995426.htm>. [retrieved on 15 March 2017]
- Njanja, W., Maina, R., & Njagi, K. (2013). Effect of Reward on Employee Performance: A Case of Kenya Power and Lighting Company Ltd, Nakuru, Kenya. *International Journal of Business and Management*, 8 (21), 41-49.
- Noe, R. A. (1999). *Employee training & development*. Irwin McGraw-Hill.
- Nyamekye, F. (2012). Impact of Motivation on Employee Retention: A Case study of Standard Chartered Bank Ghana Limited,
- Oakes, K. (2012). 'How long does it take to get fully productive?' *Training Industry Quarterly Journal*, Winter 2012, 40 -41.
- Ostroff, C. and Bowen, D.E. (2000). 'Moving HR to a higher level: HR practices and organizational effectiveness.' In *Multilevel theory, research, and methods in organizations: foundations, extensions, and new directions*, ed. K.J. Klein and S.W.J. Kozlowski, San Francisco: Jossey-Bass, pp. 211-66.
- Owens, P. L. (2006), One more reason not to cut your training budget: The relationship between training and organizational outcomes. *Public Personnel Management*, 35(2): 163-171.
- Parasuraman, S. (2002), 'Predicting Turnover Intentions and Turnover Behaviour: A Multivariate Analysis,' *Journal of Vocational Behaviour*, 21, 111–121.

- Paré, G., & Tremblay, M. (2007). The influence of high-involvement human resources practices, procedural justice, organizational commitment, and citizenship behaviors on information technology professionals' turnover intentions. *Group & Organization Management*, 32(3), 326-357.
- Parker, O. and Wright, L. (2000). 'Pay and employee commitment: the missing link.' In *Ivey Business Journal*, Jan, v65, i3, pp. 70 - 79.
- Preenen, P. T. Y., De Pater, I. E., Van Vianen, A. E. M., & Keijzer, L. (2011). Managing voluntary turnover through challenging assignments. *Group and Organization Management*, 36, 308–344.
- Perryer, C., Jordan, C., Firms, I., and Travaglione, A. (2010), 'Predicting Turnover Intentions,' *Management Research Review*, 33, 9, 911–923.
- Pfeffer, J. (2005). Changing mental models: HR's most important task. *Human Resource Management*, 44, 123-128.
- Phillips, J. (1997). *Return on investment in training and performance programs*. Houston, TX: Gulf Publishing Company.
- Platonova, E., Hernandez, S., & Moorehouse, R. (2013). Innovative human resource practices in U.S. hospitals: An empirical study. *Journal of Healthcare Management*, 58 (4), 290-303.
- Porter, M.V. (2001). 'The bottom line in employee compensation.' In *Association Management*, April, v53, i4, pp. 44-50.
- Preenen, P. T. Y., De Pater, I. E., Van Vianen, A. E. M., & Keijzer, L. (2011). Managing voluntary turnover through challenging assignments. *Group and Organization Management*, 36, 308–344.

- Rasch, R.H., and Harrell, A.M. (1990), 'The Impact of Personal Characteristics on the Turnover Behaviour of Accounting Professionals,' *Auditing Journal Practice Theory*, 9, 201–215.
- Resick, C., Baltes, B., & Shantz, C. (2007). Person-organization fit and work-related attitudes and decisions: Examining interactive effects with job fit and conscientiousness. *Journal of Applied Psychology*, 92, 1446-1455.
- Rhoades, L., Eisenberger, R. and Ameli, S. (2001), "Affective commitment to the organization: the contribution of perceived organizational support", *Journal of Applied Psychology*, Vol. 86 No. 5, pp. 825-836.
- Robbins, S.P. and Judge, T.A. (2009). *Organizational Behavior*. 13th Ed. Pearson Prentice Hall. Upper Saddle River, New Jersey.
- Sager, J.K., Griffeth, R.W. and Hom, P.W. 1998. A Comparison of Structural Models Representing Turnover Cognitions. *Journal of Vocational Behaviour*, 53 (2), 254 – 273
- Salopek, J. J. (2000). Retention. *Training and Development*, 54, 20-23.
- Samuel MO, Chipunza C (2009). Employee retention & turnover: using motivational variables as a panacea, *Afr. J. Bus. Manage.* 3(8): 410-415.
- Sandhya, K., & Kumar, D. P. (2011). Employee retention by motivation. *Indian Journal of Science and Technology*, 4, 1778–1782. doi:10.17485/ijst/2011/v4i12/30326
- Schneider B (1987). The people make the place. *Personnel Psychology*. 40:437–453.
- Schuler, R., & Jackson S. (1987). Linking competitive strategies with human resources management practices. *Academy of Management Executive* .9(3), 207-219.
- Self, J.T., Dewald, B. (2011). Why do employees stay? A qualitative exploration of employee tenure. *International Journal of Hospitality and Tourism Administration*, 12(1), 60-72.

- Serpell, A., & Ferrada, X. (2007). A competency-based model for construction supervisors in developing countries. *Personnel Review*, 36(4), 585-602.
- Shahnawaz, M., & Juyal, R. (2006). Human resource management practices and organizational commitment in different organizations. *Journal of the Indian Academy of Applied Psychology*, 32(3), 171-178.
- Shore, L., & Wayne, S. (1993). Commitment and Employee Behavior: Comparison of Affective Commitment and Continuance Commitment with Perceived Organizational Support. *Journal of Applied Psychology* 78: 5:774-780
- Slaughter, J. E., Richard, E. M., & Martin, J. H. (2006). Comparing the efficacy of policy-capturing weights and direct estimates for predicting job choice. *Organizational Research Methods*, 9, 285-314.
- Snell, S. and Dean, J. (1992). 'Integrated manufacturing and human resource management: a human capital perspective.' In *Academy of Management Journal*, v35, pp. 467-504.
- Sousa-Poza, A. & Henneberger, F. (2002). Analyzing Job Mobility with Job Turnover Intentions: An International Comparative Study. *Research Institute for Labour Economics and Labour Law* 82, 1-28
- Steel, R.P., and Ovalle, N.K. (1994), 'A Review and Meta-Analysis of Research on the Relationship between Behavioral Intentions and Employee Turnover,' *Journal of Applied Psychology*, 69, 673–686.
- Steers, R. M. (1977). Antecedents and outcomes of organizational commitment. *Administrative Science Quarterly*, 22(1): 46-56.
- Sutherland, M. (2004). Factors affecting the retention of Knowledge Workers. PhD Dissertation, Faculty of Economics and Management Sciences, University of Johannesburg.

- Tabachnick, B.G. and Fidell, L.S. (2001). *Using Multivariate Statistics*. 4th edition, New York: Harper Collins College Publishers.
- Tangthong, S., Trimetsoontorn, J., & Rojniruntikul, N. (2014). HRM practices and employee retention in Thailand: A literature review. *International Journal of Trade, Economics and Finance*, 5(2).
- Tettey, J. W. (2009). Deficits in academic staff capacity in Africa and challenges of developing and retaining the next generation of academics. *Partnership for Higher Education in Africa*.
- Thwala, D.W., Ajagbe, A.M., Long, C. S., Bilau, A. A., & Enegbuma, W. I. (2012). Sudanese Small and Medium Sized Construction Firms: An Empirical Survey of Job Turnover. *Journal of Basic, Applied Social Research (JBASR)*, in press.
- Thomsen, J. L., Jarbol, D., & Sondergaard, J. (2006). Excessive workload, uncertain career opportunities, and lack of funding are important barriers to recruiting and retaining primary care medical researchers: a qualitative interview study. *Family Practice*, 23, 545-549
- Torracco, (2000). Reward practices in the first world. *Management Journal*
- Ulrich, D. (1997). Measuring human resources: An overview of practice and a prescription for results. *Human Resource Management*, 36(3), 303-320.
- Vadell, J. (2008). The role of trust in leadership: U.S. Air Force officers' commitment and intention to leave the military. (Doctoral dissertation). Available from ProQuest Dissertation and Theses database. (UMI No. 3329851)
- Verquer, ML, Beehr TA, and Wagner, SH (2003). A meta-analysis of the relations between person-organization fit and work attitudes. *Journal of Vocational Behavior*, 63:473–489.

Walker, J.W. (2001). 'Perspectives' Human Resource Planning, March v24, i1, pp. 6-10.

Weiss, D.J., Dawis, R.V., England, G.W. and Lofquist, L.H. (1967), Manual for the Minnesota Satisfaction Questionnaire, Twin Cities, Industrial Relations Center, University of Minnesota, Minneapolis, MN

Westerman, J.W. and Cyr, L.A. (2004), "An Integrative Analysis of Person–Organization Fit Theories", International Journal of selection and assessment, Vol. 12, No.3, pp.252-261.

Willis, C. (2000), "Go for your goals", Working Woman, March, pp. 6-7.

Wimalasiri, J. (2005). An examination of the influence of human resource practices, organization commitment, and job satisfaction on work performance. International Journal of Management, 12(3), 352-363.

Wong, Chi-sum., Wong, Yui-tim., Hui, C., & Law, K.S. (2009). The Significant Role of Chinese Employees' Organizational Commitment: Implications for Managing Employees in Chinese Societies. Journal of World Business, 36(3), 326-340.

Yamamoto, H. (2011), The relationship between employee benefit management and employee retention. The International Journal of Human Resource Management, 22(17), 3550-3564.

Young, I.P., 2008. The Human Resource Function in Educational Administration. Upper Saddle River, Pearson/Prentice Hall, NJ.

Zikmund, WG 1994, 'Business research methods, 7th ed. Thomson/South-Western, Cincinnati, OH.

Appendix I. Demographic data of employees of Berhan International Bank S.C.

Bio data		Number of staff	Percentage
Gender	Male	1755	64%
	Female	984	36%
Age Range	20 - 29	1130	65%
	30 - 39	1022	37%
	40 - 49	469	17%
	50 and above	118	4%
Position	Top Management	41	1%
	Managerial	198	7%
	Supervisory	234	9%
	Clerical	640	23%
	Non-Clerical	1326	48%
Educational Qualification	High School or below	1309	48%
	Diploma	146	5%
	First degree	1038	38%
	Second Degree & above	246	9%
Experience	Less than 2 years	1523	56%
	2 - 4 years	483	18%
	4 - 6 years	428	16%
	6 - 8 years	132	5%
	above 8 years	173	6%

Project Title:
**The Effect of Selected Human Resource Practices
on Employee Retention**

To be filled by Employees of Berhan International Bank S.C.

*(With the exception of Top Level Management Staff, Non-Clerical Staff, and newly recruited staff
having less than 2 years of experience within the Bank)*

Dear respected participant,

This questionnaire is designed to collect information about employee retention management practice of Berhan International Bank S.C. The information shall be used as a primary data in the case of research which will be conducted for the partial requirement of completing a Master of Arts Degree in Human Resource Management (MA HRM) at the Addis Ababa University, School of Commerce.

Retention of key personnel is a major Human Resource Management challenge facing most organizations of Ethiopia. This project will help to identify many issues, which could affect an individual's decision to stay with an employer. This study will help shape future human resource policies and assist in the development of an effective retention tool for the Bank, as well as contribute to my project.

I would like to request your cooperation in completing the attached questionnaire which has three pages only (printed back and forth). The questions seek your opinion regarding the Bank's human resource management practices in relation to retention issues. There is no right or wrong answer; I simply want your honest opinion. The survey will take a maximum of ten minutes. If you have any question regarding this project, please feel free to contact me, at 0911-963382 or bzlakew@yahoo.com. Please be informed that this questionnaire does not require you to personally identify yourself. Your information will remain anonymous and confidential and the data will only be reported in an aggregated form.

Thank you in advance for your participation in this study. Your contribution is highly appreciated.

Beletshachew Zerihun

The following statements relate to the way in which you perceive the human resource practices within the Bank. For each statement, you are kindly asked to mark an **X** in the box that best describes your response.

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neither Agree nor Disagree
- 4 = Agree
- 5 = Strongly Agree

PERSON-ORGANIZATION FIT

I. How accurately do the following statements best describe your personal fit with the Bank’s culture and values?

		1	2	3	4	5
1.	This Bank has the same values as I do with regard to concern for others.					
2.	This Bank does not have the same value as I do with regard to fairness.					
3.	This Bank has the same values as I do with regard to honesty.					
4.	I feel that my personal values are a good fit with the Bank’s culture.					

REMUNERATION, REWARD, AND RECOGNITION

II. How accurately do the following statements describe the Bank’s remuneration, reward, and recognition system?

		1	2	3	4	5
1.	Employees are given positive recognition when they produce high quality work.					
2.	The Bank pays well.					
3.	The Bank offers a good benefits package compared to other Banks in Addis Ababa.					
4.	The Bank values individual excellence over teamwork.					
5.	The Bank offers good opportunities for promotion.					

TRAINING AND CAREER DEVELOPMENT

III. How accurately do the following statements describe the Bank’s training and career development practices?

		1	2	3	4	5
1.	People are properly oriented and trained upon joining the Bank.					
2.	The Bank does provide regular opportunities for personal and career development.					
3.	Innovation and creativity are encouraged by the Bank.					
4.	The Bank has career development activities to help an employee identify, and improve abilities, goals, strengths and weaknesses.					

Please turn to the next page to complete the next questions.

CHALLENGING EMPLOYMENT ASSIGNMENTS AND CAREER OPPORTUNITIES

IV. How accurately do the following statements describe attributes that are currently present in your job?

		1	2	3	4	5
1.	Employees are offered more challenging work within the Bank.					
2.	Employees can work autonomously on their work assignments.					
3.	Employees are skilled to do a number of different jobs, not just one particular job.					
4.	Employees are given opportunities to learn new things.					
5.	Employees are offered a good amount of variety of tasks in their job.					

ORGANIZATIONAL COMMITMENT

V. How accurately do the following statements describe your commitment to the Bank?

		1	2	3	4	5
1.	I feel a strong sense of belonging to this Bank.					
2.	I could just as well be working for a different Bank if the type of work was similar.					
3.	Often I find it difficult to agree with this Bank's policies on important matters relating to its employees.					
4.	This Bank really inspires the very best in me in the way of job performance.					
5.	I find that my values and the Bank's values are very similar					
6.	There is little to be gained by sticking with this Bank indefinitely.					
7.	I am willing to put in a great deal more effort than normally expected to help this Bank be successful.					
8.	I am proud to tell others that I am part of this Bank					
9.	I really care about the fate of this Bank.					

TURNOVER INTENTION

VI. What are your plans for staying with the Bank?

		1	2	3	4	5
1.	I plan to work at my present job for as long as possible.					
2.	I will most certainly look for a new job in the near future.					
3.	I plan to stay in this job for at least two to three years.					
4.	I would hate to quit this job.					

Please turn to the next page at the back to complete your Personal Data.

Personal Data

1. Gender : Male Female
2. Age Range: 20-29 30-39 40-49 50 and above
3. Position: Clerical Supervisory Managerial
4. Qualification : Diploma First Degree Second Degree & above
5. Experience (in years): 2 - 4 4 - 6 6-8 above 8 years

Thank you very much for your participation.