



**DETERMINANTS OF PROFESSIONAL EMPLOYEE TURNOVER
INTENTION: THE CASE OF NIB INTERNATIONAL BANK S.C.**

**BY
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DECLARATION

I, Surafel Eshetu, declare that this thesis entitled Determinants of Professional Employee turnover intention: The case of Nib International Bank S.C. is my own original work and that it has not been submitted and for any academic award to any other University for a similar or any other degree award.

Surafel Eshetu

Signature _____

Date _____

Advisor's Name Wubishet Bekaliu (PhD)

Signature _____

Date _____

CERTIFICATION

I, the undersigned certify that Ato Surafel Eshetu has conducted his thesis research entitles: “Determinants of Professional Employee Turnover intention: In the case of Nib International Bank S.C.” under my guidance. I read and hereby recommend this research outputs for acceptance by the Addis Ababa University in partial fulfillment of the requirement for the degree of Master of Arts in Human Resource Management.

Advisor’s Name Wubishet Bekaliu (PhD)

Signature _____

Date _____

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Abbreviations

HRM	Human Resources Management
HR	Human Resource
NIB	Nib International Bank
SPSS	Statistical Package for Social Science
CIPD	Chartered Institute of Personnel & Development

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Abstract

A large degree of employee turnover may be detrimental to both the organization as well as the employees. Most often, turnover intention is consequential to actual quitting behavior. Hence, it is imperative to understand the determinants of turnover intention so as to arrest the outflow of key personnel and retain competitive edge (Jha, Shweta. 2009).The main objective of the study is to identify the root causes of professional employee turnover intention. It specifically finds out the main factors for turnover intention of employee, the level of turnover intention and the challenges associated with it. In order to achieve these objectives the researcher used descriptive and explanatory research method using stratified sampling to collect data from Head office and Addis Ababa city branches of Nib Bank. To select the sample that is representative 22 branches are selected randomly and questionnaires are distributed to 299 employees from the professional positions which 270 are fully returned. Data from employee were collected on several variables that affect turnover intention including demographic characteristics, job satisfaction, organization and work environment, career growth opportunity and nature of job using questionnaires which composed of close ended questions and data from HR manager and officials were gathered through interview which makes the research(both qualitative and quantitative).The data gathered through questionnaire were analyzed by using a software package called SPSS version 20. The tests involved are one sample t-test, Anova, Pearson Correlation Coefficient and Regression. The researcher has found out that salary and job satisfaction are the major factors for high turnover intention in Nib bank. Therefore, the researcher highly recommends that the higher management should give special attention to voluntary turnover, make a necessary salary adjustment, develop an effective career path and create good work environment.

Key Words: Professional employee, turnover intention, Nib bank

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Employee turnover has always been a matter of concern for organizations. A large degree of employee turnover may be detrimental to both the organization as well as the employees. Turnover has an impact over the organization's costs relating to recruitment and selection, personnel process and induction, training of new personnel and above all, loss of knowledge gained by the employee while on job. Additionally, it results in understaffing which in turn lead to decreased effectiveness and productivity of the remaining staff. Turnover may have a negative impact on the employee as well. Most often, turnover intention is consequential to actual quitting behavior. Hence, it is imperative to understand the determinants of turnover intentions so as to arrest the outflow of key personnel and retain competitive edge (Jha, Shweta. 2009).

Human capital is the heart of any organization, so the profitability, efficiency, effectiveness of any organization depends on the employee's input so, employee's turnover is not only a loss for the whole environment but it will also cause the disturbance for rest of employees & a loss for company in the form of reduction of HR (Kanwal, B. and Tariq, A., 2016).

High turnover rate is problematic and have a negative impact on an organization performance. As per (Meaghan et al. (2002) cited (Ongori, 2007), with globalization which is heightening competition, organizations must continue to develop tangible products and provide services which are based on strategies created by employees. These employees are extremely crucial to the organization since their value to the organization is essentially intangible and not easily replicated.

The dynamics of the environment entail the adaptability of organization through designing competent strategy. It is through the effort of talented and key employees that

the organization gained competitive advantage. Therefore, retaining qualified employees and reducing high turnover enables to maintain its competitiveness.

In the era of globalization, turnover is a persistent problem in organizations and it is common in every type and size of organization and at every organizational level. Staff turnover is a serious issue especially in the field of human resources management. It is very costly for an organization and the cost is due to termination, advertising, recruitment, selection, and hiring (Abbasi and Hollman, 2008)

Labor turnover is significant to organization, individuals and management. From the organizational perspective, labor turnover represents a significant direct cost in terms of recruiting, poor production practices and reduced standards as well as high replacement and training costs (Hiemstra, 1990) cited (Kuria,S.,2012) . Subsequently, there are other costs associated with labour turnover which include separation costs (exit interviews and severance pay), recruitment costs (advertising and search fees), selection costs (interview and reference checking), hiring costs (induction and initial training), relocation expenses, uniforms and lost productivity costs associated with both the unfilled vacancy and the learning curve associated with the new employee. Indirect costs however are associated with decreased levels of employee motivation, absenteeism, tardiness leading to customer dissatisfaction and ultimately customer defection (Fair, 1992) cited (Kuria, S., 2012).

(Mobley et al., 1979) cited (Jha, Shweta. 2009) turnover intention may be defined as the individual's intention to voluntarily quit the organization or profession. Intentions are important to study as they predict an individual's perception and judgment. As such, intentions are the most immediate determinant of actual behavior (Ajzen and Fishbein, 1980) cited (Jha, Shweta. 2009). Researchers have testified that turnover intention comprises of a sequence of process viz., thinking of quitting, intentions to search, and intention to quit (Mobley 1982; Mobley et al., 1978) cited at (Jha,Shweta. 2009). Thus, proactive measures may be adopted by the organization to control the actual turnover, if it is aware of the turnover intentions of its employees. Academics have been also

interested in turnover intention of employees as precursor of turnover behavior for the last six decades (March and Simon, 1958) cited (Jha, Shweta. 2009).

In a professional services organization where the personal relationships established between employees and clients are central to ongoing success, a turnover rate in excess of 10 per cent is likely to cause damage to the business. Modest turnover rates can rapidly increase as the pressures on remaining staff become greater, leading to serious operational difficulties. (Torrington, D., Hall, L. and Taylor, S., 2008).

Bank as it is a service giving organization which its success is highly depends on its human resources. They become resources as they are skilled through time which they become efficient in the sense that they give quality service to the customer and knowing the company's policies and goals and highly contribute to the organization effectiveness. Thus, losing of such employees and the resulting high turnover has a greater impact on the overall organizational performance. (Rajapaksha, U.G., 2015).

Following Agriculture, service sector has contributed the next highest GDP to the country which is 39.9% which Agriculture is about 41% 2015/16). One of the service sectors that have a significant effect on the whole economy is a banking sector. Nib International Bank (NIB) one of the most renowned bank was established in 1999 in accordance with the Monetary and Banking Proclamation No.83/1994 and License and Supervision of Banking Business Proclamation No. 84/1994 with a paid up capital of Birr 27.6 million and registered capital of Birr 150 million and 27 employees. It commenced operation in October 28, 1999. (NIB bank 2nd five years strategic plan 2012/13-2015/16).

The banking sector in Ethiopia is characterized by young and growing stage which currently more than 19 players of different size, capacity and experience. This makes competition uneven and less fierce. The industry is attractive in the sense that: High entry barriers, raising initial capital for licensing, investment requirement on core banking, profitability and growth for existing banks. However, there is High competition for deposit and foreign currency generation. Weak suppliers (depositors) and import customers, powerful exporters and money transfer institutions, and international

community customers. Also Demand for services, growing faster than the rate of growth of the capacity of financial services (ibid).

Therefore, the banking sector has competed in limited product lines for deposit and foreign currency. However, the only dimension for competition is delivering quality of service and technology i.e. operational excellence through technology. One of the major factors that determine for the achievement of these excelled service delivery and adaptation of technology is through the availability and commitment of efficient and effective human resources. The banks to achieve its objective needs to have employee that are competent enough to execute their responsibility in a professional manner and dedicated to organizational objectives. Different researches have proved the negative effects of turnover on customer satisfaction. This is due to when employee leave an organization service delivery time to customer is affected. The way customers are treated given the interest of the bank and to the best satisfaction of them is also affected. An increase in losing of trained staff will ultimately affect the performance of these banks.

Employee turnover in NIB BANK, an average of 5.2% is higher than the banks like CBE which is between 2-3%. What makes the turnover even worrisome is that it is the professionals in credit, branch operation and control who leave the bank. The bank farewells its seniors and chases the juniors only to end up surrendering them to a competitor after they acquired experience. The bank's management thinks its salary and benefits are competitive with peer banks. However, confirming this through regular market survey and putting other retention mechanisms such as succession planning, clear and transparent criteria and process for promotion in place would help improve the turnover and motivation of professionals. (NIB bank 2nd five years strategic plan 2012/13-2015/16).

Currently, Nib Bank has about 3,069 employees as of June 30, 2016. These employees are spread between two sets of geographically separated groups: City branches including the head office retain about 2,054 employees which covers 67% of the total number of employees. Outline/regional branch employees are 1,015 and this covers 33% of the total number of employees.

Table 1.1 Manpower Structure of Nib Bank

Location of employee	Clerical Employee		Non-Clerical Employees		Total	
	Count	% age	Count	% age	Count	% age
HO	264	15.7%	68	5%	332	11%
City branches	919	54.61%	803	58%	1722	56%
Outlying branches	500	29.69%	515	37%	1015	33%
Total	1683	100.0%	1386	100%	3069	100%

Source: Nib Bank HR Administration Annual Report 2015/16

Turnover of professional employee is attributed to significant cost to the organization in terms of head hunting cost, operational difficulties, opportunity cost of the management and ultimately affect the profitability of the organization. The study tries to address the most important factors like salary, job satisfaction, career growth and job related factors that have an impact on turnover intention of employees in Nib Bank. Therefore, to reduce turnover of employee the organization needs to identify the determinants of turnover intention.

If the organizations want to reduce turnover, then it is imperative for them to understand the factors which trigger turnover intentions or quitting intentions in employees (Jha.Shewta. 2009).

1.2. Statement of the Problem

It is evident that due to several factors organizational competitiveness has increased through time that entails to cope up with the dynamic and ever-changing environmental needs. Organizations have to develop several strategic factors to remain competent in their respective sectors. Among a number of strategic factors retaining competent employees or managing high turnover are one of the factors that should be developed to achieve higher organizational effectiveness.

There are untapped potential in the market for the financial institutions such as banks. However, competitions becomes stiff due to undifferentiated product lines i.e. competition for scarce deposit and foreign currencies. Therefore attracting the potential customers and maintaining competent employees so as to give excelling and customized service enable to gain competitive advantage.

The banking industry in Ethiopia and overall trend may suggest that banking in Ethiopia is growing. Where there is still wider scope to increase asset and profitability, as the potential of the economy is rich to expand business. However, the competition wing is highly relies on excelling service and technology due to the fact that the product every bank provides are similar. Therefore attracting more customers and retaining through operational excellence which rely on the building of Human capital and which intern necessitates retaining of this precious human assets. (CBE Corporate Score Card, 2015/16-2019/20).

It is argued that a certain amount of staff turnover is favorable to bring fresh blood to the organization when new leadership, new ideas and experience are required. Also in the case of reducing work force and functional turnover. On the other hand it is a problem let alone the investment and the cost made but also the damage is greater when people subsequently choose to work for the competitors. Consequently, when these valuable employees leave organizational disruption will result and attainment of goal and objectives negatively affected.

Specifically, the ultimate goals of Banks are to make high profit, to deliver quality services and satisfy the stakeholder's interests. These goals can be realized only with employees' efforts, commitment and ultimate contributions. This is because employees are the main reason for the achievement of organization's goals and strategy. However, when these employees are thinking of quitting or leaving the job and the organization, the aims and objectives of the organization might not be achieved. This is because turnover intention is a negative job attitude that could results to employees' turnover (i.e., loss of employee).

Table 1.2.1. NIB Bank's Trends of Turnover

S/n	Financial year	Number of staff's turnover	Average no. of Employee	Turnover rate
1	2013/14	263	2,315	11.3%
2	2014/15	270	2,487	10.8%
3	2015/16	282	2,842	9.9%
		Average Turnover		10.6%

Source: Nib Bank HR Administration Annual Report 2015/16

As per the bank's HRD department senior officials and strategic plan reports, Nib bank is facing a frequent and serious turnover which is above 10%, i.e. about three fold of the target set an average employee turnover of 3% in the 2nd strategic plan of the Bank. The turnover becomes serious in the sense that it is observed in the most important human resources of the bank. To mention: a number of directors in the area of Credit department, Information technology, Accounts and finance, Foreign banking department and some special grade branch managers, professional employees which highly support the very survival of the bank, Customer service officers both juniors and seniors responsible for the efficient service delivery and high customer contact. Thus, employee turnover questions or affects the on-going concern of the bank i.e. its competitiveness and ultimately its profits.

As per some formal discussions and interview with branch manager and senior HR officers, there are a number causes or reasons are mentioned for the exhibited high turnover in the bank. To mention: Competent strategy and pay system are long revised, lack of good succession plan, organizational and working environmental factors are the main causes among others. Moreover, senior staffs do not provide with the necessary promotions and pay systems. Even fresh trainee graduates stay with the bank until the end of the training period to gain the necessary experience which then leaves the bank. Thus, it may lead the bank to lose his precious asset, human capital. Also costs the bank in terms of management's time advertisement, recruitment, selection and training to adapt to the environment. Most significantly, customer services are negatively affected. All the

mentioned costs ultimately affect the profit which is one of the most important performance measures that direct all efforts towards it.

1.3. Research Questions

Based on the above stated problem this study tries to address the following questions:

1. What are the factors affecting professional employee's turnover intention in Nib Bank?
2. What is the level of turnover intention in Nib Bank?
3. What are the challenges that Nib bank has faced due to turnover related Problems?
4. What methods have been practiced by the bank to tackle the problem of employee turnover?

1.4. Objective of the Study

1.4.1. General Objectives

The main objective of the study is to identify the root causes of professional employee turnover intention in Nib Bank S.C.

1.4.2. Specific Objectives

The research deals with achieving the following specific objectives:

- To investigate the major causes of Professional employee turnover intention in Nib Bank.
- To determine the level of turnover intention in Nib Bank.
- To assess the challenges that Nib bank has faced due to turnover related problems.
- To investigate different methods that has been practiced by the bank to tackle the problem of employee turnover.

1.5. Significance of the Study

The study is expected to generate the following benefits:

- The study specifically addresses the problem in Nib bank which primarily used as an instrument in addressing turnover issues and finding the solutions.
- The study is also necessary for HR practitioners who design and administer employee retention, reduce turnover and enable to ensure organizational effectiveness.
- It serves as an input for further study and reference in the area of labor turnover and to the organizations because the findings, conclusions and recommendations by the researcher help to reduce turnover by avoiding the cause before it happens.

1.6. Scope of the Study

The research is designed to determine factors for professional employee turnover intention in Nib Bank on employees working at Head office and A.A. City branches. The researcher only assesses employee turnover that is made by the employees themselves which is voluntary turnover.

Employee voluntary turnover is a persistent phenomenon that produces a serious problem for organizations. The loss of qualified and skilled employees is related to the reduction in the competitiveness, innovation, and quality of offered service to customers. Moreover, turnover entails significant costs of recruitment, selection, hiring and training of newcomers (Abbasi & Hollman, 2008).

As per Jha, Shweta. (2009), employee turnover may be understood as the employee leaving the organization or profession voluntarily. It has been observed that voluntary turnover is an interdisciplinary and multidimensional construct. The problem of voluntary turnover stretches beyond the gamut of employee and organization. Moreover, as per (Sumarni, 2009) cited in (Purba D.Y., 2014) turnover intentions are voluntary quitting of the employee.

1.7. Limitation of the Study

The research is designed to investigate factors of professional employee turnover intention on branches in the city of A.A. and Head quarter. Due to access to personal information i.e. confidentiality to personal address of the already left employees of the bank from HR department and difficulty of finding, collecting data from them were not technically feasible.

1.8. Definition of terms and concepts

Terms frequently used throughout this study are defined as follows:

Turnover intention is any desire of employees to sign out from their company (Kumar & Gupta, 2013) cited in (Purba, D.Y., 2014). Turnover intention is also intensity level of employee to quit (Nasution, 2009) cited in (Purba, D.Y., 2014).

Employee turnover is the rate at which people leave an organization. (Armstrong, 2009)

Involuntary Turnover is defined as the movement across the membership boundary of an organization, which is not initiated by the employee. (Price, 1977) cited in Pankaj, S.,etal, 2014

Voluntary Turnover is defined as the movement across the membership boundary of an organization, which is initiated by the employee. (ibid)

Professional employee means all managerial and Supervisory, professional and customer service officers of the bank.

1.9. Organization of the Paper

The paper is organized in five chapters. The first chapter includes introduction which encompass background of the study, statement of the problem, research question, objective of the study both general and specific, significance of the study, scope of the study, limitation of the study and definitions of terms are the common parts. The second chapter explores different literatures which are related to the topic. The third chapter

explains the research design and methodology applied to make the research. In the fourth chapter the researcher clearly presents, analyze the data collected, interpret and discuss the findings briefly. Finally the last chapter which is chapter five concludes the paper by proving summary and recommendations.

CHAPTER TWO

LITERATURE REVIEW

Introduction

At present, in the business world the impact of turnover has received a wide attention by the top level management, human resources experts and industrial psychologists. It has proven to be one of the most costly and apparently headstrong human resource challenges provoking Organizations. Looking back to the modern industrial age, and now to the highly technological age, employee turnover has overwhelmed Organizations in the public, private, and non-profit sectors in the form of both voluntary and involuntary turnover. This is a challenge to the management in relation to lost productivity, demonization, and replacement costs (Rajapaksha, U.G., 2015.)

If an organization is having high turnover means; the accumulation of human capital to the organization is constrained. High rate of employee turnover leads to lower labor productivity and it results in the delay of attaining organizational goals. Experienced employees are well aware of company's policies, goals and the know how to accomplish given objectives in the organization effectively and efficiently. In contrast, the fresh recruits frequently require more time to learn the things around them. Therefore, the organization with high turnover tends to have more inexperienced workers. This results in low labor productivity (ibid).

Philips (1990) cited (Ongori, 2007) Turnover has many hidden or invisible costs and these invisible costs are result of incoming employees, co-workers closely associated with incoming employees, co-workers closely associated with departing employees and position being filled while vacant. And all these affect the profitability of the organization. On the other hand turnover affects on customer service and satisfaction. Catherine (2002) cited (Ongori, 2007) argue that turnover include other costs, such as lost productivity, lost sales, and management's time. This clearly demonstrates that turnover affects the profitability of the organization and if it's not managed properly it would have the negative effect on the profit.

In the review of the literature part: definitions of turnover, causes of employee turnover, cost of employee turnover and the methods that are used to reduce or tackle turnover related problems are presented. Conceptual frame work of the study which is used to construct the variables of the research study is shown. The empirical frame work in relation to the study is shown.

2.1. Why Intention to Leave or the process of Quitting

Early literature on turnover behavior indicated that the employees would initiate the process of termination of their relationship with their employee/ organization/ profession only when there is perceived desirability to do so and there is a perceived possibility of such ease of movement. This perceived desirability of termination of employee-employer relation is known as turnover intention (March and Simon, 1958) cited (Jha, Shweta. 2009).

According to Mobley (1977) cited by (Kuria,S. and Ondigi,A.,2012) Labor turnover is a gradual process. An employee starts by an evaluation of an existing job and the environment in the work is being done. It is believed that work environment plays a pivotal role on an employee's decision to continue working in an organization or to quit. Job dissatisfaction follows in deciding to quit. The employee may however evaluate the utility of searching for the new job. The search for an alternative job takes place and employee evaluates all the jobs that are available for him or her. Comparison is further done with the present and the best alternative jobs that are found. A final decision is reached by either remaining in the current job or quitting as the last stage. However, there exist the independent variables upon which jobs are being evaluated. These include the pay package, company policies, rules and regulations, the Hertzberg hygiene factors, work monotony and burnouts. The model (Mobley1977) represents a theoretical process of ten stages that an employee goes through when either quitting or changing jobs.

Quitting Process

- Employee evaluating existing job.
- Experiences of job dissatisfaction.

- Employee thinking of quitting.
- Evaluating of expected utility of searching for a new job.
- Search for alternative.
- Employee searching for alternative.
- Employee evaluating the alternatives.
- Employee comparing best alternatives with present jobs.
- Employees deciding whether to stay or quit.
- Quitting and leaving one job for another

2.2. Definition of Turnover

Employee turnover (sometimes known as ‘labor turnover, ‘wastage’ or ‘attrition’) is the rate at which people leave an organization. It can be disruptive and costly. The average rate of turnover (the number leaving as a percentage of the number employed) (Armstrong, 2009). A turnover occurs when an employee leaves an organization and must be replaced. Employee turnover is defined as the level of staff departures from the organization. The higher value level can be distracting for the organization and is followed by the development of higher costs incurred to replace the outgoing people with new employees, who need time and education in order to learn about business processes, and integrate into the system with ease. (Roblek, V., Mesko-Stok, Z, Mesko, M. and Erenda, I., 2013).

As per (Daniel, P.Y, 2014) **Turnover intention** is any desire of employees to sign out from their company (Kumar & Gupta, 2013). Nasution (2009) stated the turnover intention is intensity level of employee to quit. Then, Sumarni (2009) added the turnover intention is voluntary quitting of the employee. The turnover intention of the employee is influence by several variables. Wijayanti (2009) stated that job satisfaction and organizational commitment has a significant effect to employee’s turnover intention. It does means a higher job satisfaction and organizational commitment of the employee will make the turnover intention lower.

2.3. Types of Turnover

Different literatures classified employee turnover in different categories. Organizations are required to have an in-depth understanding of why employee leave or stay, as well strategy to manage turnover among the valued employees.

2.3.1. Internal versus External

Turnover can be classed as internal or external. Internal turnover involves employees leaving their current position, and taking a new position within the same organization. Both positive enforcement (such as increased employee motivation and commitment) and negative consequences (such as project/relational disruption) of internal turnover exist, and thus this form of turnover may be as important to monitor as its external counterpart. Internal turnover might be moderated and controlled by typical human resource mechanisms, such as an internal recruitment policy or formal succession planning (Wikipedia, the free encyclopedia).

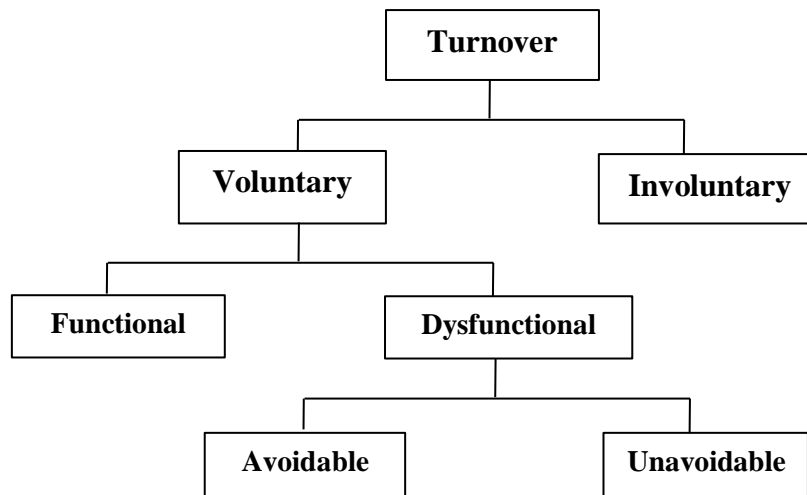
2.3.2. Voluntary attrition versus involuntary attrition

According to (Pankaj, S. and Venkat, S. 2014), employee attrition has been defines in different types of classification i.e. Voluntary versus involuntary attrition. Voluntary attrition is defines as the movement across the membership boundary of an organization, which is initiated by the employee (Price, 1977). (Casico and Bourdeau, 2008) defined Voluntary attrition occurs when an employee resigns to pursue another career opportunity, relocate with family or simply leave the workforce for personal reasons. Retirement is a form of voluntary turnover action. Voluntary turnover is a serious problem for modern organizations because intellectual capital is increasingly critical for sustained competitiveness (Boudreau and Ramstad, 2007); (Lepak and Snell, 2002); (Wright and McMahan, 1992). Whereas involuntary attrition, in contrast, is defined as the movement across the membership boundary of an organization, which is not initiated by the employee (Price, 1977). It typically refers to an employment decision of employer to terminate the employee. In involuntary attrition or turnover, employment relationship ends based on the employer's circumstances, not the employee's decision to leave

(F.Casico and W.Bourdeau, 2008). Voluntary turnover is further classified as functional and dysfunctional turnover. Functional attrition occurs when people leaving the firm are underperformers. Employee attrition is functional to extent that the employee's departure produces increased value. Dysfunctional attrition is the exact opposite of functional turnover, as the best employees leave (F.Casico and W.Bourdeau, 2008) and (Clark, 2006).

According to (Torrington,D.,etal, 2008), the functional turnover category includes all resignations which are welcomed by both employer and employee alike. The major examples are those which stem from an individual's poor work performance or failure to fit in comfortably with an organizational or departmental culture. While such resignations are less damaging than others from an organization's point of view they should still be regarded as lost opportunities and as an unnecessary cost.

Some voluntary turnover is avoidable and some is unavoidable. Avoidable turnover stems from causes that the organization may be able to influence. For example, if employees are leaving because of low job satisfaction, the company could improve the situation by redesigning jobs to offer more challenge or more opportunities for people to develop their skills. Unavoidable turnover stems from causes over which the organization has little or no control. For instance, if employees leave because of health problems or a desire to return to school, there may be little the organization can do to keep them. The distinction between avoidable and unavoidable turnover is important because it makes little sense for a firm to invest heavily in reducing turnover that arises from largely unavoidable reasons (G. Allen, D., 2008).



Source: David G. Allen (2008)

Fig 2.2.1 Types of Turnover

2.4. Reasons for Employee Turnover

Mobley et al. (1979) cited (Jha, Shewta, 2009) observed that the intention to quit is influenced by a battery of factors namely organizational factors, individual employee characteristics, job-related and labor-market expectations, and individual values. The intention to quit then ultimately influences the actual quitting behavior.

According to (Torrington, D. etal, 2008), People leave jobs for a variety of different reasons, many of which are wholly outside the power of the organization to influence. In many cases people leave for a mixture of reasons, certain factors weighing more highly in their minds than others. The following is one approach to categorizing the main reasons people have for voluntarily leaving a job, each requiring a different kind of response from the organization.

Push factors

With push factors the problem is dissatisfaction with work or the organization, leading to unwanted turnover. A wide range of issues can be cited to explain such resignations. Insufficient development opportunities, boredom, ineffective supervision, poor levels of

employee involvement and straightforward personality clashes are the most common precipitating factors. Organizations can readily address all of these issues. The main reason that so many fail to do so is the absence of mechanisms for picking up signs of dissatisfaction. If there is no opportunity to voice concerns, employees who are unhappy will inevitably start looking elsewhere.

Pull factors

The opposite side of the coin is the attraction of rival employers. Salary levels are often a factor here, employees leaving in order to improve their living standards. In addition there are broader notions of career development, the wish to move into new areas of work for which there are better opportunities elsewhere, the chance to work with particular people, and more practical questions such as commuting time. For the employer losing people as a result of such factors there are two main lines of attack. First, there is a need to be aware of what other employers are offering and to ensure that as far as possible this is matched – or at least that a broadly comparable package of pay and opportunities is offered. The second requirement involves trying to ensure that employees appreciate what they are currently being given. The emphasis here is on effective communication of any ‘unique selling points’ and of the extent to which opportunities comparable to those offered elsewhere are given.

(Taylor,2002) found a mix of factors for turnover at work but concluded that push factors were a great deal more prevalent than pull factors as causes of voluntary resignations. Very few people appear to leave jobs in which they are broadly happy in search of something even better. Instead the picture is overwhelmingly one in which dissatisfied employees seek alternatives because they no longer enjoy working for their current employer. Other factors played a much bigger role are: dissatisfaction with the conditions of work, especially hours, a perception that they were not being given sufficient career development opportunities and bad relationship with their immediate supervisor.

(Armstrong, 2009) suggests that the Possible reasons for leaving are: More pay, Better prospect (career move), More security, More opportunity to develop skills, unable to

cope with job, better working conditions, Poor relationships with manager/team leader, Poor relationships with colleagues, bullying or harassment, Personal – pregnancy, illness, moving away from area, etc

2.4.1. Factors of Turnover intentions

According to (Jha, Shewta, 2009) cited (Mobley ,1977) first proposed a model explaining the relationship between job satisfaction and thoughts of quitting which, ultimately led to actual turnover. Later Price & Muller (1981) observed that job dissatisfaction influenced actual turnover indirectly through its direct effect on turnover intention. The variables that affect job satisfaction are pay, promotion opportunities, immediate supervisor, fringe benefits, contingent rewards, rules and procedures, relation with co-workers, type of work done, and communication within the organization (Spector, 1997).

Factors affecting employee turnover today have become increasingly complex. The variables affecting job satisfaction are numerous and complex in relation to each other. Job satisfaction has been identified as an important factor in the working lives for all occupational groups. Employees who are satisfied are more likely to be committed to their organizations and decreased the intention of quit from a job (Yeoh Sok Foon, Lim Chee-Leong and Syuhaily Osman, 2010).

According to (Graham, 1998) Cited (Kanwal, B. and Tariq, A., 2016), Job Satisfaction is simply the behavior, attitude at his work place if the employee is lazy, dishonest, and unprofessional, not committed it means he is not satisfied. he need motivation and job satisfaction to deliver quality and productive education but the criteria for satisfaction is different for every one according to Maslow's need for hierarchy same is the case with teachers some are motivated if student's participation is more in class and they do not have to prepare lectures to teach the students. The measurement of one's total feelings and attitudes towards one's job.

Job satisfaction is the expression of feelings that how much employee is satisfied from its current job. It is also the difference between what he thinks that he deserves & what he gets. If he is not satisfied with the pay or other rewards which are fail to fulfill the basic

human needs of an employee, so he will switch to some other organization. Job satisfaction is having negative relationship with turnover intentions, if job satisfaction increases than turnover intentions will decrease, if job satisfaction decreases than turnover intentions will increase (Kanwal, B. and Tariq, A., 2016).

As per (Daniel, P.Y, 2014), there are several factors that has an impact on Job satisfaction that leads to turnover intention.

1. Job satisfaction: Many research connecting job satisfaction and employee's turnover intention. Ali (2009), Kamasak (2010), and Kumar & Gupta (2013) state job satisfaction has high effect to turnover intention. According to (Nasution, 2009), (Sari, 2009) and (Azeem , 2010), job satisfaction has 5 dimensions such as wage, the nature of job, supervision, promotion opportunities, and co-workers Job satisfaction is an attitude, response, outlook of the employee on their job, work environment include the content of their job that is their achievement, responsibility, acknowledge to motivate an employee and make them satisfy (Khaif, Nawaz, & Jan, 2012).

The job satisfaction of the employee is influenced by some factors, as follows (Mangkuprawira, 2011): The fitness of job with employee demand. If the job match with the employee, the employee would be satisfy; Promotion; Challenges from its job; Employee's gratitude. Besides, the five of these factors are known as Job Description Index (Nasution, 2009); (Sari, 2009); (Azeem, 2010) as follows:

- a. Wage: financial pay for the employee on their performance;
- b. The nature of job: responsibility and growth from the job itself;
- c. Supervision: mentoring, guidance, suggestion, etc from their boss or senior employee;
- d. Promotion opportunities: good career path management and opportunity to get better career;
- e. Co-workers: employee's cozy because they get motivation, help, support, etc from their peers.

2. Wage or salary: is financial pay that received by the employee because of their contribution to company. According to (Samsudin, 2010), wage is employee's pay from the company because of their contribution and has a function as an assurance for their life. (Ali, 2009) and (Wijayanti, 2009) said that wage significantly affect to the turnover intention of the employee, still (Wilson, 2012) comments if the employee doesn't receive wage or less given, the employee would has dissatisfaction.

3. The Nature of Job: The employee will be satisfy their job has own responsibility, fit with their competence, has a prospect as a learning place, and the job doesn't make the employee to be saturated (Nasution, 2009); (Sari, 2009); (Azeem, 2010). Company which give responsibility for the employee to make a decision, then the employee would be satisfy. The employee would be satisfied for the company believes on the employee's competence to solve a problem. This is known as a self-esteem (Robbins, 2009). Besides that, the type of job and the task which fit on employee's competence and desire, the boredom of the employee would be left. If the task or job fit with the employee's competence, they can solve a problem (Samsudin, 2010).

According to (Kanwal, B. and Tariq, A., 2016):

4. Organizational environment: can also be the cause of turnover, if working conditions are not feasible, strict rules & regulations can create stress in employees that stress can increase the dissatisfaction in employees & as a result turnover intentions will increase. Moreover, organizations can easily develop the environment of the organization that will change the perception of the employees towards their job. To develop the strategies for better environment will have a positive impact to reduce the turnover intentions. Employees are the most important asset of any organization, so to retain that asset is the basic aim of any organization.

5. Career Growth opportunities: are also one of the predicator of turnover. If any organization will provide the opportunities to grow any employee will support the intentions of the employees to stay in the organization. If organization does not provide

any opportunity to grow one's career, it will result in the increase of the intentions of any employee to switch the organization.

According to (Hayes.T.M, 2015), demographic characteristics have an impact on turnover intentions.

6. Demographic characteristics Organizational leaders needed to acknowledge situational factors, such as employee demographics, that effected turnover intentions within the organization (Walsh and Bartikowski, 2013). Work outcomes had varying effects at different periods in an employee's lifetime (Zaniboni, Truxillo and Fraccaroli, 2013). Therefore, the attainment of human capital assets could be a factor in an employee's turnover intention. Advanced levels of education were general human capital assets as well as opportunities for personal development (Hofstetter and Cohen, 2014). The length of tenure with an organization increased an employee's firm-specific skills (Hofstetter and Cohen, 2014). Increases in firm-specific skills related to job satisfaction and employee length of tenure (Michel et al., 2013).

i. Age

It is important for organizational leaders to manage knowledge transfer strategies to prepare for the exit of experienced employees from the workforce. Furthermore, human resource practitioners should develop retention strategies that are consistent with the needs and desires of younger workers. In many cases, older employees thought fewer job opportunities were available and chose to remain employed with an organization (Wren, Berkowitz and Grant, 2014). An employee's age had an effect on the employee's perceptions of satisfaction and commitment (Lambert et al., 2012); (Wren et al., 2014).

ii. Education

The acknowledgment of advanced levels of education improved the marketability of employees (Stanley, Vandenberghe, Vandenberg, & Bentein, 2013). As employees gained education, they often sought employment with new organizations (Wren et al., 2014). Employees with college degrees were knowledge, or high quality, workers and high-performing teams decreased the likeliness of turnover within the organization

(Jayasingam & Yong, 2013). Jayasingam and Yong found lower instances of turnover among knowledge workers but Islam et al. found turnover intentions were more likely for individuals with advanced levels of education. The possibility of a relationship existed between turnover intentions and an employee's education level and supervisory status (Islam et al., 2013). Well-educated workers and knowledge workers sought employment opportunities through knowledge-intensive firms, or firms that conducted intellectual work (Islam et al., 2013).

iii. Tenure

Human capital theorists associated increased length of tenure with the employee's value in the labor market (Feldman, 2013). Job tenure is the lengths of time that employees spend at the occupation they currently have (Feldman, 2013); (Butler, Brennan-Ing, Wardamasky and Ashley, 2014). To increase employee length of tenure, human resource practitioners must develop retention strategies that afford the employee the opportunity to remain employed with the organization as well as reward the employee's attainment of human capital assets. Human capital theorists posited that long-tenured employees are reluctant to leave the organization because of the accumulation of organizational investments (Maden, 2014). Long-tenured employees experience fewer absences and can implement and facilitate change more efficiently than short-tenured employees can (Ng & Feldman 2013). Short-tenured employment is associated with lower turnover intentions when the fulfillment of the psychological contracts occurs (Bal, De Cooman, & Mol, 2013). Psychological contracts are the employee's belief in relation to the expectations of the exchanges between the employee and the organization (Bal et al., 2013). For younger workers, the absence of monetary compensation is a contributing factor for decisions to exit the organization (Butler et al., 2014). Even when the occupation is consistent with the employees' needs and desires, younger workers choose to leave (Butler et al., 2014)

According to (McKnight, D. H., Phillips, B. and Hardgrave, Bill C., 2009), defined job characteristics as worker perceptions about the task: its nature and content. These included skill variety, autonomy, job feedback, etc. Companies may create workplace

conditions that fail to address basic employee needs, leading to employee turnover. Studies have shown that both job and workplace characteristics influence turnover.

Perceived job characteristics, representing the extent to which an employee feels favorable towards the way the job was designed. Autonomy evaluates the employee's freedom, independence, and discretion in scheduling the work and how to carry it out. Job feedback is a measure of the extent to which the manager communicates how the employee performs the job. Skill variety defines how many skills are required by the employee. Job identity evaluates the extent to which workers believe the task is well-defined. Job significance determines how important the job appears to be. This set of attributes provides an overall perception of the job's features.

According to (Shukla,S and Dr.Sinha, A.,2013), some of the factors for turnover intentions are:

- **Work environment**

If working conditions are substandard or the workplace lacks important facilities such as proper lighting, furniture, restrooms and other health and safety provisions, employees will not be willing to put up with the inconvenience for long time. Organizational instability has been shown to have a high degree of high turnover. Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Alexander et al., 1994).

- **Compensation (Salary):**

One common cause of high employee turnover rates is low pay and benefits packages. When a worker is employed in a low-wage position with limited benefits, there is little incentive to stay if a similar employer offers even a slightly higher rate of pay. "While lower paying job roles experience an overall higher average of employee turnover, they tend to cost companies less per replacement employee than do higher paying job roles. However, they incur the cost more often. For these reasons, most companies focus on employee retention strategies regardless of pay levels." (Beam, 2009) Workers who make

more, but whose salaries fall short of the going market rate, may feel undervalued at their current companies and look for a company that will pay them what they're worth (Firth et al., 2004). (Manu et al., 2004) argue that employees quit from organization due economic reasons. The most common reason for employee turnover rate being so high is the salary scale because employees are usually in search of jobs that pay well. (Hissom, 2009). Low pay is good reason as to why an employee may be lacking in performance. (Rampur, 2009). Unequal or substandard wage structures fall under this category as well. "When two or more employees perform similar work and have similar responsibilities, differences in pay rate can drive lower paid employees to quit. In a like vein, if you pay less than other employers for similar work, employees is likely to jump ship for higher pay, if other factors are relatively equal" (Handelsman, 2009).

- **Career Growth**

Larson (2004) says career progress creates stress on employee's understandings of the worth of his or her career prospects. Obstacles in career development can appear at any time during an employee's employment period which serves as stressor for them. These stressors can include an array of problems like being stuck at a position, without any hopes of progress or threats of downsizing (Smith and Cooper, 1994). Career growth is much more important than salary in Europe or America but it is counted equivalent to salary in Asian context (Europhia, 2008). "Moving Up or Moving Out" counts career growth as basic for turnover (Europhia, 2008). High employee turnover could also be due to no potential opportunity for advancements or promotions. Employees prefer other companies which may provide them with higher posts and increased compensation packages. (Rampur, 2009)

(Abdali, 2011) cited by Feruza has clearly showed some of the major reasons to why most employees leave. Some of them are:

i. Demographic and Personal Characteristics of an employee: The demographic and personnel characteristics of an employee may be reason of leaving from the organization. These characteristics are age, gender, qualification, marital status, experience and tenure.

Different researches proved different demographic characteristics for reason of leaving. According to (Hom and Griffeth ,1995) women did not quit their jobs more freely than did men; rather they were more loyal employees. Kinship association and number of children improved turnover while the number of relatives in the community increase organizational exits. Older employees who have long stay in the company depart unusually than younger and short tenure employees.

ii. Job Satisfaction: employees having job dissatisfaction leave their current employer more easily. The relation between job satisfaction and employee turnover is reciprocal to each other and this relationship is high when unemployment rate is low in the society and similarly low when unemployment rate is high.

iii. Organizational Environment: The organization and work environment can be a combination of a lot of factors like compensation, disruptive justice or equity, leadership and supervision, peer-group relation, role states, company climate and promotion. This all have are somehow related to why most employees leave.

iv. Job Content: the content of the job can lead an employee to quit. Job content includes job scope which is the density and challenges of the job contents and this depend upon strength of growth need; its reutilizations of the repetitiveness of a job, professionalism which is related to bureaucratic involvement in the organization conflict with professional standards and ethical codes, deteriorating people's commitment to an organizational and job stress.

v. Reward and Salary: This plays an important role to retaining employees. Researchers believed that displeasure with salary and pay robustly motivate employee turnover (Gomez-Meija and Balkin 1992a; Milkovich and Newman 1993) cited by Abdali. The lack of different compensation packages like fringe benefits and incentive pay definitely create an impact on retaining employee or departing from the organization.

2.4.2. Factors Related to Turnover

(Moyinhan and Pandey, 2008) Cited (Nyamubarwa, W., 2013) has revealed that multiplicity of factors that influence turnover intentions in organizations can be categorized into three distinct categories:

- 1) **External environmental factors** - to the effect of economic conditions on driving and shaping employee turnover across the labor industry.
- 2) **Individual factors** – Employee specific factors that shape turnover decisions. Examples include age, length of service with the organization, gender, race, family responsibilities, education, personality, and other personal considerations.
- 3) **Organizational factors** - These refers to organizational policies and practices such as opportunities for progress, supportive management, supportive HR policies, organizational culture and other factors.

2.5. Cost of Employee Turnover

The sheer costs associated with replacing people who have left, ranging from the cost of placing a recruitment advertisement, through the time spent administering and conducting the selection process, to expenses required in inducting and training new employees. On top of these there are less easily measurable losses sustained as a result of poorer performance on the part of less experienced employees. For larger organizations employing specialist recruiters these costs can add up to millions of pounds a year, with substantial dividends to be claimed from a reduction in staff turnover levels by a few percentage points. Moreover, people who leave represent a lost resource in which the organization has invested time and money (Torrington,D.,etal, 2008).

According to (Armstrong, 2009), the Cost of employee Turnover: Cost estimates are useful as means of backing up a business case for taking action to reduce turnover. The following factors should be considered when calculating costs.

Factors affecting the cost of employee turnover

- Direct cost of recruiting replacements (advertising, interviewing, testing, etc).
- Direct cost of introducing replacements (induction cost).
- Direct cost of training replacements in necessary skills.
- Leaving costs – payroll and HR administration.
- Opportunity cost of time spent by HR and line managers in recruitment, induction and training.
- Loss of output from those leaving before they are replaced.
- Loss of output because of delays in obtaining replacements.
- Loss of output while new starters are on their learning curves acquiring the necessary Knowledge and skills.

2.6. Measuring Turnover

According to (Armstrong, 2009), It is necessary to measure employee turnover and calculates its costs in order to forecast future losses for planning purposes and to identify the reasons that people leave the organization. Plans can then be made to attack the problems causing unnecessary turnover and to reduce costs. Among the different methods of calculating turnover, employee turnover index is one of the methods:

Employee turnover index

The employee turnover index as set out below (sometimes referred to as the employee or labour wastage index) is the traditional formula for measuring turnover:

$$\frac{\text{Number of leavers in a specified period (usually 1 year)}}{\text{Average number of employees during the same period}} \times 100$$

This method is in common use because it is easy to calculate and to understand. It is a simple matter to work out that if last year 30 out of an average force of 150 employees left (20 per cent turnover), and this trend continues, then the company will have to recruit 108 employees during the following year to increase and to hold the workforce at 200 in that year (50 extra employees, plus 40 to replace the 20 per cent wastage of the average

200 employees employed, plus 18 to replace wastage of the 90 recruits). This formula may be simple to use, but it can be misleading. The main objection is that the percentage may be inflated by the high turnover of a relatively small proportion of the workforce, especially in times of heavy recruitment. Thus, a company employing 1,000 people might have had an annual wastage rate of 20 per cent, meaning that 200 jobs had become vacant during the year. But this could have been spread throughout the company, covering all occupations and long- as well as short-service employees.

CIPD (2006) cited by Feruza; Employee turnover rates can serve as a useful management tool. Their interpretation, however, requires a great deal of care. Low turnover can signal good employee-employer relations or stagnation. High turnover can mean costly loss of experienced personnel or the introduction of needed fresh talent and new ideas. Increases and decreases in turnover rates can indicate changes in labor market conditions and employee reaction to alterations in working conditions, management practices, and compensation policy. Turnover rates are generally expressed as a percentage for a specified period of time. Like any other percentage, turnover rates are a function of what goes into the numerator and denominator

According to (Ivancevich and Glueck, 1989) Cited (Feruza, 2015), we can measure employee turnover in the following ways:

Separation Rate: It shows how much percentage of the employee will leave the organization within a given period of time. It can be calculated as:

$$\text{Separation Rate} = \frac{\text{No. of separation during the month/year}}{\text{Average number of employed}}$$

1. Total Turnover Rate

$$\text{TTR} = \frac{S}{N}$$

Where, TTR= Total turnover rate
 S= the number of separation in a given time interval
 N= the average number of employed

A major problem with this formula is that it does not specify the reasons for separation. For this reason a more useful approach is to divide separation into categories such as voluntary quits, discharge for cause, layoff, deaths, retirement, and other. While the denominator would remain the same for whatever time period studied, the numerator would differ.

$$\text{E.g. Voluntary quit rate} = \frac{\text{Number of Quits}}{\text{Average number of employed}}$$

2. Avoidable Turnover Rate

$$\text{Avoidable turnover rate} = \frac{\text{total separation} - \text{unavoidable}}{\text{Average work force}} \times 100$$

3. Quit Rate

It eliminates quits by those groups that can be expected to leave; part-times of women leaving for maternity reasons. These data can be refined further by computing turnover per 100 employees by length of employment, jobs classification by each organizational unit.

$$\text{Quit rate} = \frac{\text{Total quits}}{\text{Average workforce}}$$

4. Turnover Cost

$$\text{Turnover cost} = \text{Separation Cost} + \text{Replacement Cost} + \text{Training Cost}$$

2.7. Methods of Identifying Employee Turnover

Several methods have been stated by different scholars and researcher that can help organization to identify turnover.

2.7.1. Exit Interview

Exit interview is the most common method used by most organization to assess employee's motivation for resigning. Many organizations conduct exit interviews with employees who are voluntarily leaving. These interviews provide important information for changing HR policies and practices to decrease employee turnover, improve efficiencies. (Phillips, 1999) cited by Feruza.

The most straightforward approach is to take the resigned through a questionnaire of direct questions concerning his/her satisfaction with pay, supervisor, development opportunities, relationships with colleagues and job content. However there are a number of problems with such approaches that can serve to reduce their effectiveness. First, there is the tendency of employees to develop a far more optimistic outlook after they have secured a new job and resigned. Their original reasons for seeking alternative employment offer get forgotten as they move toward their last day. Such feelings are compounded if counter-offers are made to encourage them to stay and may disappear completely in the last days as cards are signed, leaving presents bought, affectionate speeches given and farewell parties held. This is often not, therefore, the best time to ask them for an honest and well-balanced assessment of their reasons for quitting. (Taylor, 1998 cited by Feruza)

A further problem arises when supervisors or department heads undertake exit interviews, because leavers will often balk at implying any criticism of them-particularly if they believe that they will require positive references in the future. The reason given for leaving may thus obscure the whole truth or may even be entirely false. It is far easier to say that you are leaving because you were offered more money elsewhere or because your spouse is moving, than to state openly that you disapprove of your new manger's style or feel that you have been treated unfairly in some way. (ibid)

It can thus be argued that exit interviews, if used at all, should be undertaken very soon after the resignation has been confirmed, and that they should be carried out by an individual who will not have any role in writing future job references. According to

Carrell *et al* (1995), as cited by Taylor, another way of encouraging candor is to explain to the leaver that the aim of interview is to gather information for improving work conditions. In general, it is necessary to note that leaving employees may not be interested to give the true cause of their resignation if they think that their supervisor is responsible to give future reference or if the employee might want to be reemployed at the future date.

2.7.2. Surveys of Ex-employees

Another way of collecting information about the reason for staff resignation is to contact former employees some months after they left the organization and ask them for a considered view of their reasons for resignation. While the use of this method is relatively rare, as cited by Taylor, there have been a number of cases covered recently in the personnel journals that indicate some large organizations are experimenting with it. Candor is further encouraged if the surveys are carried out by independent bodies and are clearly labeled “private and confidential”. (ibid)

2.7.3. Attitude Surveys

A third approach is to seek the views of employees before they leave and so provide a basis for the development of policies and practices that will deter them from so doing. These too are truly effective only if confidential-so as to maximize the chance of employees’ stating honestly how they feel about their jobs, their perceived opportunities, their bosses, colleagues and the organization as a whole. Questions can also be asked about their current intentions as regards the future and about their perception of alternative career paths open to them. Such approaches enable employers to anticipate in which areas future turnover is most likely to occur, and to gain an insight into the main causes.

2.8. Methods to Minimize Employee Turnover

(Torrington,D.,etal, 2008); The straightforward answer to the question of how best to retain staff is to provide them with a better deal, in the broadest sense, than they perceive

they could get by working for alternative employers. Terms and conditions play a significant role, but other factors are often more important. For example, there is a need to provide jobs which are satisfying, along with career development opportunities, as much autonomy as is practicable and, above all, competent line management.

For many years the HR staff was there to provide advice and assistance and have used different techniques as needed to reduce turnover.

(Phillips, 1945) Many organizations conduct exit interviews with employees who are voluntarily leaving. These interviews provide important information for changing HR and retention policies and practices to decrease employee turnover and improve organization performance.

Retention could be improved by many factors like better recruitment effort, selecting right man for the right job, continuous review of job specifications and job descriptions, compensation practices, leadership and supervision, career planning and development, working condition, team building, centralization, organization communication and commitment, counseling leavers, flexible working hours, and employee participation, turnover policies and appreciations (Mobley, 1982 cited by Feruza).

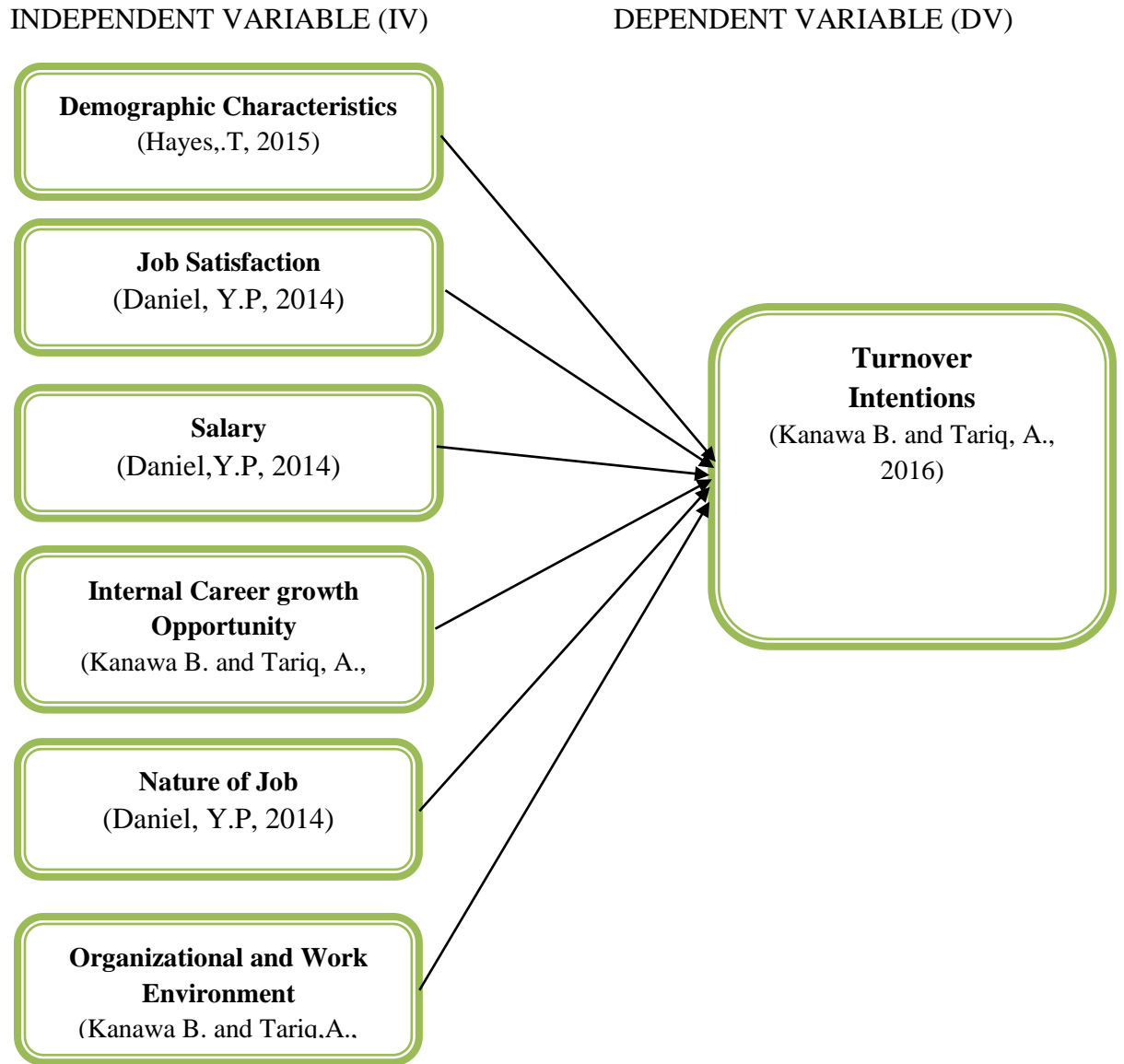
(Cappelli, 2000) cited by (Armstrong, 2009), the possible actions to deal with employee turnover problems are:

- Deal with uncompetitive, inequitable or unfair pay systems.
- Design jobs to maximize skill variety, task significance, autonomy, control over work and feedback, and ensure that they provide opportunities for learning and growth. Some roles can be 'customized' to meet the needs of particular individuals.
- Develop commitment to the work (job engagement) not only through job design but also by organizing work around projects with which people can identify more readily than the company as a whole.

- Ensure that selection and promotion procedures match the capacities of individuals to the demands of the work they have to do. Rapid turnover can result simply from poor selection or promotion decisions.
- Reduce the losses of people who cannot adjust to their new job – the ‘induction crisis’ – by giving them proper training and support when they join the organization.
- Take steps to improve work–life balance by developing policies including flexible working that recognize the needs of employees outside work.
- Eliminate as far as possible unpleasant working conditions or the imposition of too much stress on employees.
- Select, brief and train managers and team leaders so that they appreciate the positive contribution they can make to improving retention by the ways in which they lead their teams. Bear in mind that people often leave their managers rather than their organization.
- Ensure that policies for controlling bullying and harassment exist and are applied.

2.9. Conceptual Frame Work

To determine the conceptual frame work for this study identification and determination of the dependent and the independent variable is required. The researcher uses Demographic characteristics, Job satisfaction, Salary, internal career growth opportunity, Organizational and work environment and the Nature of job as Independent variables whereas Employee turnover intention as dependent variable.



Source: Mixed Model of Study derived from (Kanwal, B. and Tariq, A., 2016), (Daniel, Y.P., 2014) and (Hayes, T., 2015).

Fig 2.9.1 Model of the Study

2.10. Empirical Frame Work

According to the study made by (Pankaj, S. and Venkat, S., 2014) on service sector in India which is significantly contributing to the growth of Indian economy and at the same time is struggling with employee attrition problem. As per the study 600 employees were

taken from four industries (i.e. Factors of employee attrition in IT & ITES, Banking, Insurance and Telecommunications Industry) and interviewed with a structured questionnaire. The results showed that thirteen factors i.e. Perceived value for job, organization Culture , Job Security, Growth opportunities, Working environment, Compensation, Job targets ,Role stagnation, Work life balance ,Job Stress, Learning opportunities ,Organization politics and outside attractive pay offers are the reasons of employee turnover. Moreover, the researcher had observed that employees also started viewing lack of learning opportunities to develop their multiple skills provided by company and office politics are reason to leave the organizations.

Another study was recently conducted by (Kanwal, B. and Tariq, A., 2016) regarding the impact of organizational environment, job satisfaction and organizational opportunities on the teachers of University of Sargodha, in Pakistan. The results showed that significant negative correlation among all variables. Turnover intentions can be because of the absence of career growth opportunities in UOS and unhealthy work environment which the need to give opportunities of advancement in jobs and to make the environment feasible to decrease the intentions of teachers to leave the organization are not considered.

A Study conducted on Employee turnover in banking sector: Empirical evidence by (Shukla, S. and Sinha A. (dr.), 2013) in India. The research looked at various factors on employee turnover in urban and semi urban banks i.e. employees who are found in the leading banks. The study found that factors that significantly influenced employee turnover in banking sectors are: Work Environment, Job Stress, Compensation (Salary), Employee relationship with management, Career Growth. The prime factors for employee turnover as per the respondent banks are job satisfaction and work environment. The high significance level for both variables show that, whether there is a salary compensation or not, employees have a gigantic desire to opt for new ventures in need of better work environment and job satisfaction. Comparative to above two variables the career development is having lesser but a quiet considerable significance. The people who counted career growth as their prime force for turnover have put a saddle

on availability of opportunities and management relations as subprime forces. But they turn over for new venture for better wages or salary compensation.

A research conducted by (Daniel.P.Y.2014) entitled “The Effect of Job Satisfaction on the Turnover Intention of Employee in Cimahi Textile Company at West Java” in Indonesia. This research purposing to know the effect of job satisfaction that has 5 dimensions such as wage, the nature of job, supervision, co-workers, and promotion opportunities to turnover intention. This research collects data from 49 respondents and the results show that job satisfaction significantly effecting to turnover intention with Adjusted R Square 0,347 or 34,7%, while 65,3% from other factors. Wage, co-workers, and promotion opportunities has no effect to turnover intention, however the nature of job and supervision has effect to turnover intention. This research make conclusion that job satisfaction from the nature of job and supervision has effect to turnover intention.

A study by (Hays,T., 2015) conducted on issue of Demographic Characteristics Predicting Employee Turnover Intentions suggests that Demographic characteristics of age, education, gender, income, and length of tenure are significant factors in employee turnover intentions. The purpose of the study was to determine if a relationship existed between age, education, gender, income, length of tenure, and employee turnover intention among full-time employees in Texas. The results of the multiple regression analysis indicated a significant relationship between age, income, and turnover Intentions; however, the relationship between education, gender, and length of tenure was not statistically significant.

Summary of the Literature

The theoretical and empirical literature reviews suggest that turnover intention can be affected by numerous factors. Recent literatures show turnover intention is affected by different factors indirectly through job satisfaction. There are different variables that affect turnover intention: job satisfaction, wage or salary, Organization and work environment, career growth opportunity, Nature of the Job and Demographic Characteristics.

These variables have negative relationship with turnover intention. When these factors decrease turnover intention will increase. Job satisfaction is a major factor for turnover intention. Most of the variables that affect turnover intention also affect job satisfaction. Thus, it has the most significant effect to turnover intention. Salary of the organization is related to the basic human need which creates high turnover intention. The company is also needed to create conducive work environment: inviting working conditions, good management and proper handling of its employee. The organization which does not provide a ladder for advancement and growth cannot retain its employee. The employee always desire better opportunity for growth. The Nature of the job i.e. professional requirements, its repetitiveness and work and jobs conditions needs to consider. Thus, all the factors mentioned above needs to be addressed so as to decrease the turnover intention.

The study tried to include those variables which best address the problems of turnover in Nib bank. The most common reasons of turnover are included in the research to best identify the factors of turnover intention in the bank. Moreover, the variables included in the study are expected to cause high turnover intention in the bank.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Introduction

This chapter briefly explains how the research was carried out. The organization of its parts are the research approach and research design, the population, sampling techniques, data type and source, data collection instruments, methods of data analysis, test of sound measurement and ethical considerations.

3.1. Research Process

To satisfy the theoretical objectives of identifying the determinant factors that cause turnover intentions and actual employee turnover, an in-depth literature review was conducted. Next, a descriptive and explanatory research study conducted. Quantitative and Qualitative data are gathered by using questionnaires and Interview. This data are used to answer the research questions and its specific objectives.

3.2. Research Approach and 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. (Selltiz, C., 1962) cited (Kothari, 2004).

The purpose of this study is to identify the root causes of professional employee turnover in Nib Bank S.C. It assesses the causes for employee turnover intentions based on the responses and determine the relationships between such factors and turnover intention. This enables to fulfill the research objectives.

Therefore, the research design is basically a combination of both descriptive and explanatory research. It suggests or explains why or how turnover is happened, tried to answer the different variables for turnover intention. Consequently, see the relationship between the variables and turnover intention.

According to (Kotari, 2004), Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In explanatory research, on the other hand, the researcher has to use facts or information already available and analyze these to make a critical evaluation of the material.

The research design used to solve the mentioned problems is mixed method i.e. both quantitative and qualitative research method.

Quantitative research is based on the measurement of quantity or amount. It is applicable to phenomena that can be expressed in terms of quantity. Qualitative research, on the other hand, is concerned with qualitative phenomenon, i.e. phenomena relating to or involving quality or kind. For instance, when we are interested in investigating the reasons for human behavior (i.e., why people think or do certain things), we quite often talk of ‘Motivation Research’, an important type of qualitative research. This type of research aims at discovering the underlying motives and desires using an in depth interviews (Kotari, 2004).

Mixed research design is employed as strategies of inquiry that involve collecting data either simultaneously or sequentially to best understand research problem. The data collection also involves gathering both numeric information (e.g., on instruments) as well as text information (e.g., on interviews) so that the final database represents both quantitative and qualitative information (Creswell, 2009).

The researcher used questioners i.e. close ended questions only. Also use semi structured interview which are use open-ended questions to get more elaborative information from HR managers and Senior HR officers of the bank. According to (Burns, B.R and Burns.A.R, 2008), a well planned and carefully constructed questionnaire will increase the response rate and also will greatly facilitate the coding and analysis of the collected data. Moreover, it helps in selecting only those items that are really needed to accomplish the purpose of the study and for which the respondent can actually answer or be willing to answer.

3.3. Study Area

NIB is a private bank with headquarter in A.A and branches in most region of Ethiopia and at this time have 95 branches in Addis Ababa and 75 branches in outlying regions. The Headquarters is where all the processes of staff recruitment and the related duties are executed. The bank has six grading Grade one, Grade two, Grade three, Grade four, Grade five and Special Branches. The grading has taken place based on the volume of work load, performances and profitability. The study was conducted taking two special branches, four branches randomly from the remaining each category, and headquarters.

3.4. Population and Sample

The target population for the study is professional staff of Nib Bank. For the purpose of the study employees who are found in Managerial and Supervisory, Professional and Customer service officer positions are considered as Professional employees. Currently, Nib Bank has about 3,069 employees as of June 30, 2016. These employees are spread between two sets of geographically separated groups: City branches including the head office retain about 2,054 employees which covers 67% of the total number of employees. Outline/regional branch employees are 1,015 and this covers 33% of the total number of employees which are excluded from the study. In addition, among the total number of professional employees of 1,683.00 in the bank, 70.3% i.e.1,183.00 are found in H.O. and A.A. city branches. Among the total number of non-clerical employees of 1,386.00, 63% i.e. 871 are non-clerical in head office and city branches which are excluded from the study. Thus, the population size for the study is 1,183 professional employees of the bank.

3.4.1. Sampling Size and sampling Technique

The researcher use Stratified sampling technique which the bank are structured into two strata Head office and Branches with a grade attached to them. Thus, based on the grading 22 branches were selected randomly from the category of the branch. From Head office professional employees in each department are selected randomly. From the

selected branches employees in Managerial and supervisory, Professionals and Customer service Officer Positions were selected randomly.

To determine the size of the sample, Yamani Taro (1967) formula is used. It states that the desired sample size is a function of the target population and the maximum acceptable margin of error (also known as the sampling error). Thus, to determine the sample size at 95% confidence level, degree of variability=0.5 and level of precision/sampling error= 5%.

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

$$N = 1,183 / (1 + 1,183(0.05)^2)$$

$$\underline{N = 299}$$

Where “n” is the sample size, “N” is the population size and “e” is the level of precision. By using the above formula from the total study population of 1,183 participants, 299 were selected as a sample.

The researcher employed proportionate stratum random sampling to select samples from the existing employees. A stratified random sampling allows us to take into account the different subgroups of people in the population and helps guarantee that the sample accurately represents the population on specific characteristics.

3.4.2. Sampling Frame

The population of the study for which sample was collected are classified into two stratus i.e. head office staffs (support staffs) and A.A. city branches office staffs (operation staffs). The list of employees found in support and operation staffs are considered as sampling frame.

The elementary units or the group or cluster of such units may form the basis of sampling process in which case they are called as sampling units. A list containing all such sampling units is known as sampling frame. Thus sampling frame consists of a list of items from which the sample is to be drawn (Kotari, 2004).

According (Kotari, 2004), the method of proportional allocation under which the sizes of the samples from the different strata are kept proportional to the sizes of the strata. Therefore, Samples from each stratum were selected by using the following equation:

$$n_h = (N_h/N) * n$$

Where n_h is the sample size for stratum h , N_h is the population size for stratum h , N is total population size, and n is total sample size. The lists of the participants or respondents were taken from sample frame of the bank. Therefore the sample sizes for the two categories are:

Table 3.4.2.1 Sample size for the study

Stratum	Sample Size	Total Population
HO	67	264
City Branches	232	919
Total	299	1,183

Source: The researcher, 2017

3.5. Data sources and Types

The required data for the study collected through primary and secondary data collection method.

3.5.1. Primary data Source

Primary data can be obtained either by quantitative or qualitative research methods. The study used both methods of collecting primary data. To collect primary data structured questionnaires and Interview are used.

3.5.2. Secondary data Source

Secondary data was collected through the bank records, Reports and from written materials which is related to the research. Moreover various records that are relevant to the study was collected from different literatures about employee turnover and different

human resource management books and literatures, websites and other available sources was also referred and cited on the study.

3.6. Data collection Instruments

The researcher used questioners that are close-ended question to gather relevant data to the study. The research instrument used for this study was the questionnaire divided into six sections; Section 1: Description of Demographics. Section 2: Reasons for employee turnover (Independent Variable) this includes; Job Satisfaction, Organization and work environment, Growth Opportunities, Salary, and Nature of Job. Section 3: Turnover Intention (Dependent Variable). A brief description of each section is hereby presented:

Section 1: The Demographic factors Scale

The demographic factor scale is a self-construction scale specifically designed to elicit information on various demographic variables of interest to this study. The variables of interest include age, Sex, educational qualification, current job position and length of service.

Section 2: Reasons for employee turnover (Independent Variable)

In the independent variable parts, six different factors are used. The questionnaire for; Job Satisfaction, organization and work environment and Career growth opportunities are adopted from Journal of Resources Development and Management ISSN 2422-8397 An International Peer-reviewed Journal.Vol.20, 2016 by (Kanwal, B. and Tariq, A., 2016) and were modified according to the specific title of the research. In addition to this the researcher has added some relevant questions which are important to achieve the objective of the research.

1. Job satisfaction

Three items into five point likert scale using 1 for strongly agree to 5 for strongly disagree. Having statements of, "I am generally satisfied with the kind of work I do on my job", "in general I enjoy working at my job" and " I would not consider taking another job". (Egan, yang, & Bartlett (2004) customized by (Kanwal, B. and Tariq, A., 2016).

2. Organization and work environment Scale

Five items with five point likert scale using 1 for strongly agree to 5 for strongly disagree. Having statements like "Management has created an open & comfortable environment", "There is a good relationship between the workers and the management in the bank", " There is no discrimination in the bank based on gender, race or on any other bases", "At work, I have the necessary equipment and tools to facilitate my job" and "I like the working condition of my organization". (Kanwal, B. and Tariq, A., 2016).

3. Career Growth Opportunities Scale

Five items with five point likert scale using 1 for strongly agree to 5 for strongly disagree. Having statements like, "There are ample opportunities available for internal promotions in my company", "I am sure of career growth in my company", " There is empowerment in my Job role", "There is an opportunity to develop multiple skills in my job" and "My Company provides adequate training and learning opportunities related to my job"(Kanwal, B. and Tariq, A., 2016).

4. Salary

The five items scale are adopted and modified from Balzer et al. (1997) and Dabke et al. (2008) cited in (Chang Lee,C., Hsiung Huang,S., and Yi Zhao,C.,2010). Five items with five point likert scale using 1 for strongly agree to 5 for strongly disagree. Having statements like, " I am very satisfied with my salary," I feel I am being paid fair amount for the work I do"," The salary of the bank is good according to the work you are performing", "Over the past two years, the management here has introduced changes in the payment system" and " My pay compares fairly with the pay of people doing similar work in other banks ".

5. Nature of Job

The four items scale are adopted and modified from (McKnight, D. H., Phillips, B. and Hardgrave, Bill C., 2009) customized from (Hackman, 1980). The four items scale using 1 for strongly agree to 5 for strongly disagree. Having statements like," My job requires

me to do many different things as work, using a variety of my skills and talents", " This job requires me to use a number of complex or high-level skills", "Overall, my tasks are not simple and repetitive" and "My job requires that I make use of a wide range of my talents or abilities".

6. Turnover Intention

The three items scale are adopted from (Donnelly and Ivaneevich's, 1985) used by (Kanwal, B.and Tariq, A., 2016). The three items scale with five point likert scale using 1 for strongly agree to 5 strongly disagree. Having statements of "I often think about quitting", "I will probably look for a new job next year" "it is likely that I will actively look for a new job next year"

3.6.1. Response rate for respondents of Nib Bank

Table 3.6.1.1 Response rate of the respondents

Description	Respondents\Employees
Sample selected	299
Questionnaires distributed	299
Questionnaires returned	270
Response rate (%)	90.30%
Usable responses	270

Source: Survey on professional employee Nib Bank

3.7. Method of Data Analysis

To meet the objectives stated in the above section, data collected from the structured questionnaire was analyzed using a Software Package for Social Science (SPSS) version 20. The researcher has used SPSS version 20.0 for descriptive statistics; one sample t-test is used to see the level of response to each items of dependent and independent variables; correlation to see the relationships between dependent and independent variables and anova for demographic factors. Regression analysis is also used to see the level of impact of independent variables on the dependent variable.

3.8. Test of Sound Measurement

As per (Kothari, 2004) Sound measurement must meet the tests of validity and reliability. These are the major considerations one should use in evaluating a measurement tool.

3.8.1. Validity

Validity refers to the extent to which a test measures what we actually wish to measure. Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004).

Validity is more critical than reliability because if an instrument does not accurately measure what it is supposed to, there is no reason to use it even if it measures consistently. (Kothari, 2004) suggests that Reliable measuring instrument does contribute to validity, but a reliable instrument need not be a valid instrument.

To check the validity of the instrument: First, the researcher examine that the underling theory of the study has a strong conceptual basis and be based on well validated constructs.

- Consulting subject matter experts in the area like research advisor and get the approval of the instrument.
- Seek verbal feedback from the selected friends by the sample of questionnaire distributed concerning hesitation, erasures or skipped questions so as to check the validity.

3.8.2. Reliability

The test of reliability is another important test of sound measurement. A measuring instrument is reliable if it provides consistent results (Kothari, 2004). Reliability estimates the Consistency of the measurement or more simply, the degree to which an instrument measures the way each times it is used under the same conditions which the same subjects.

Prior to the actual data collection, 30 questionnaires were distributed initially to Nib bank employees. According to (Perneger, T.V., Courvoisier, D.S., Hudelson, P.M. and Gayet-

Ageron, A., 2015), Small samples (5–15 participants) that are common in pre-tests of questionnaires may fail to uncover even common problems. A default sample size of 30 participants is recommended.

To measure the reliability of the constructs the researcher conducts internal consistency reliability using cronbach alpha. As per (Cramer,D. and Howitt D.,2004) , internal consistency reliability is a measure of consistency between different items of the same construct. Cronbach’s Coefficient is the most widely used test for internal consistency of an item making up a scale. Cronbach’s alpha coefficients should fall within a range of 0.70 to 1.00. (Sun, Chou, Stacy, Ma, Unger and Gallaher, 2007)

The cronbach alpha coefficient of the factors is displayed in the following table. The result shows that there is high internal consistency among the variables, so the dimensions are sufficient to measure the constructs.

Table 3.8.2.1 Results of the reliability statistics

Factors	Cronbach's Alpha	No of Items
Job Satisfaction	0.791	3
Organization and work Environment	0.720	5
Growth Opportunities	0.774	5
Salary	0.871	5
Nature of Job	0.824	4
Turnover Intentions	0.738	3

Source: SPSS Output

3.9. Ethical Consideration

Ethical issues were given due emphasis while conducting the study. Before the actual data collection process, all the respondents and participants in the study were notified and guaranteed for their confidentiality and at any time to participate or not and also withdraw from the study to avoid the undesirable consequences. They were also communicated all the necessary information about the purpose of the study, who is conducting the study and all others which the respondents like to know.

CHAPTER FOUR

DATA PRESENTATION, ANALYSES AND INTERPRETATION

Introduction

In this section the results and findings about the factors of professional employee turnover intention are provided. Data collected through questionnaire i.e. closed ended questionnaire based on the dependent and independent variables were analyzed through different statistical measures, figures and summarized using tables. Semi structured interview has also used to strengthen the findings on the questionnaire and to answer the research questions.

As stated on the research methodology, 299 questionnaires were distributed to different respondents of employees in Nib Bank. Out of the total 299 questionnaires, 270 were fully filled and returned which makes the response rate to be 90.3%. Data were collected and analyzed in order to assess the factors affecting professional employee turnover in Nib International Bank.

The researcher has interviewed one Manager, HR and two senior HR officers of Nib Bank regarding the issue of employee turnover. The researcher has collected the data needed by interviewing the HR officials. The researcher has presented the response of NIB Bank HR officials with the question they were asked.

4.1. Presentation of the findings and analysis

Descriptive analysis was used to summarize the demographic characteristics of the respondents. The table shown below summarizes the respondents demographic distributions based on Age, sex, marital status, Education level, Length of service, Salary and Job category. As it is mentioned in the literature part demographic factors are one of the variables that have an effect on turnover intention of a given organization. Thus, the effects of demographics are explained with regards to turnover intention of the employee in Nib Bank.

Table 4.1.1 the percentage and frequency distribution of demographic characters

Items	Categories	Frequency	Percent
Sex of respondents	Male	165	61.1
	Female	105	38.9
	Total	270	100
Age of respondents	20-30	134	49.6
	31-40	98	36.3
	41-50	28	10.4
	More than 50	8	3
	Total	268	99.3
	Missing	2	0.7
	270	100	
Marital status of respondents	Single	130	48.1
	Married	125	46.3
	Divorced or separated	2	0.7
	Widowed	2	0.7
	Total	259	95.9
	Missing	11	4.1
	270	100	
Education level of respondents	Diploma	20	7.4
	First degree	218	80.7
	Masters	28	10.4
	PHD	-	-
	Total	266	98.5
	Missing	4	1.5
	270	100	
Length of service of respondents	Less than one year	44	16.3
	1 up to 5 years	93	34.4
	6 to 10 years	78	28.9
	More than 10 years	48	17.8
	Total	263	97.4
	Missing	7	2.6
	270	100	
Salary of Respondents	Less than 5,000.00	43	15.9
	5,000.00-7,500.00	70	25.9
	7,501-10,000.00	73	27
	More than 10,000.00	81	30
	Total	267	98.9
	Missing	3	1.1
	270	100	
Job category of Respondents	Managerial and Supervisory	47	17.4
	Professional	104	38.5
	Clerical	95	35.2
	Total	248	91.9
	Missing	24	8.8
	270	100	

Source, questionnaire, 2017

As shown in the table 4.2.1 above the gender distribution of the respondents which is 61.1% are male while the rest 38.9% are female. This shows that the number of male employees participated in responding to the questionnaire is higher than the female counterparts.

The age distribution of the respondents show that 49.6% of the respondents are between the ages of 20-30; 36.3% of the respondents are found between the ages of 31-40; 10.4% of the respondents are found between the ages of 41-50 and 3% of the respondents are more than the age of 50. This indicates that most employees of the bank are young employees. As per (Wren, Berkowitz, & Grant, 2014) cited in (Hayes.T.M, 2015), young employees need better payment, good working condition, challenging works and are also sensitive to any inequity or other ill treatment by supervisor or the management. The bank's major age group has also goes to the first young generations this means the former employees are replaced by the new and fresh employees. Human resource practitioners should develop retention strategies that are consistent with the needs and desires of younger workers. In many cases, older employees thought fewer job opportunities were available and chose to remain employed with an organization as it is mentioned in the literature part.

The marital status we can see that 48.1% of the respondents are single; 46.3% of the respondents are married and both divorced/separated and widowed are 0.7% each. This shows that close to 50% of the employee are single. According to studies by (kondalkar, 2007), married employees typically are found to be somewhat less likely to quit than employees who have family and dependants responsibilities. This employee's most likely to have parental responsibilities and have low level of commitment than those who are married.

The table above shows that 7.4% of the respondents have a diploma; 80.7% of the respondents have a 1st degree and 10.4% of the respondents have a MA degree. Based on this data we can say that most of the employee of the bank are holders of the 1st degree which means most of them are educated and can have different opportunities in the

market by different organization. They have also the potential and demand for further advancement and growth in the Bank.

The length of service of the respondents within their current organization portrays 16.3% of the respondents have served the Bank for less than 1 year; 34.4% of the respondents have served the bank between the year 1 to 5 and 28.9% of the respondent have served the Bank between 6 to 10 years and the rest 17.8% of the respondents have served the Bank for more than 10 years. As it is shown in the table most employees of the Bank is about 50.7% have worked on their current Bank for a short period of time which is only between less than one year up to 5years. The data suggests that the Bank has no strong retention strategy. Further, there is a high turnover intention due to long tenured employee has less intention to leave. As per (Maden, 2014) cited (Hayes.T.M, 2015) to increase employee length of tenure, human resource practitioners must develop retention strategies that afford the employee the opportunity to remain employed. For younger workers, the absence of monetary compensation is a contributing factor for decisions to exit the organization. Even when the occupation is consistent with the employees' needs and desires, younger workers choose to leave (Butler et al., 2014) cited in (Hayes.T.M, 2015).

The salary level of the respondents shows 15.9% of the respondents earn less than Birr 5,000.00; 25.9% of the respondents earn between Birr 5,000.00 to 7,500.00; 27% of the respondents earn between Birr 7,501- 10,000.00 and the rest 30% of respondents earn more than Birr 10,000.00. From the data we can see that most employees of the bank around 70% are paid less than 10,000.00 per month. Comparing to the industry salary paid to the beginners and fresh employee it is the least payments. Salary is one of the most critical issues that most employees consider when leaving or joining to a specific organization. And considering the ever increasing cost of living, it's highly difficult to say the salary of these employees is enough or satisfying.

The job category of the respondents shows 17.4% of the respondents are found in Managerial and supervisory positions; 38.5% of the respondents are professional employees and the rest 35.2% of the respondents are classified as customer service

officers. From the data we can see that; most of the employees in Nib bank has found in professional and customer service officer positions. Rendering service in the bank has now become professional activities due to the limited product line competition in the market becomes stiff. Thus, due to competition in the banking sector the Bank has to keep in touch with the needs and desires of the professional and customer service officer in order to deal with the turnover intentions.

4.2. Determination of factors that leads to Professional employee turnover in Nib Bank

This part explains the one sample statistics for the variables used in the factors of turnover intention. The mean values of each statement of factors of turnover intention are assessed with respect to the output of one sample t-test.

One sample *t*-test is statistical procedure often performed for testing the mean value of a distribution. It can be used under the assumption that sampled distribution is normal. For large samples the procedure often performs well even for non-normal populations. Moreover, the *t* distribution approximates to normality with increasing sample size (Burns, B.R and Burns.A.R, 2008).

One sample *t*-test consists of two outputs. The first contains descriptive statistics and the second box contains one-sample test. The descriptive part reports the mean, standard deviation, standard error and no. of the sample size. The One sample test displays the results more relevant to the one sample *t*-test. These are : *t*-value (distance of the mean from the population mean or it tells how many units away from the average mean); degree of freedom(the *t*-distribution changes shape based on the number of degree of freedom or the ability of a number in a given set to assume any value) and the significance level. In the significance level, if the number is less than the predetermined alpha level (usually .05) this means the sample mean is significantly different than the midpoint of the likert scale or test value. If it is more than the predetermined alpha level, there is no significant difference between the sample and the midpoint of the likert scale.

Mean difference is the difference between the observed sample mean and the specific test value. The sign of the mean difference corresponds to the sign of the *t*-value.

Table 4.2.1 Job Satisfaction factors of professional staff turnover intention

One-Sample Statistics				Test Value = 3					
				t-value	df	p-value	Mean Difference	95% Confidence Interval of the Difference	
N	Mean	Std. Deviation	Lower					Upper	
In general, I enjoy working at my job.	270	3.40	1.08	6.17	269	.000	.404	.275	.533
I am generally satisfied with the kind of work I do on my job.	270	3.40	1.06	6.16	269	.000	.396	.270	.523
I would not consider taking another job.	269	2.32	1.04	-10.68	268	.000	-.680	-.806	-.555
Aggregate mean	270	3.04	0.82	0.82	269	.414	.041	-.057	.139

Source, questionnaire, 2017

Table 4.2.1 describes the one sample *t*-test statistics for the statements used to assess the level of job satisfaction. On average, the level of agreement towards the job satisfaction is 3.04 as it is shown on the aggregate mean. And the standard deviation lies between 0.82 and 1.08. The one sample *t*-test statistics is 0.82 and the *p*-value from the statistics is $p=0.414 > 0.05$. So, the *p*-value indicates that the average mean value is not significantly different from the moderate level of response. The 95% confidence interval estimates the difference between the mean lies between the range of (2.94, 3.14).

This implies the level of satisfaction of most employees of Nib bank towards their jobs is to the moderate level, as $p>0.05$. This shows that there is a gap in job satisfaction level of the employees which the banks needs to improve it as it may leads to or brings turnover intention.

The statement “I would not consider taking another job”, the mean response is 2.32, $p=0.000$ which is less than 0.05. This implies that there is a tendency of high intentions to

leave. Because the level of agreement towards the statement is significantly lower than the average mean.

Job satisfaction is the result of different factors. According to (Jha, S., 2009): Price & Muller (1981) observed that job dissatisfaction influenced actual turnover indirectly through its direct effect on turnover intention. The variables that affect job satisfaction are pay, promotion opportunities, immediate supervisor and fringe benefits, (Spector, 1997). Moreover, As per (Yeoh Sok Foon, Lim Chee-Leong and Syuhaily Osman, 2010), Factors affecting employee turnover today have become increasingly complex. Therefore, the bank needs to deal with the level of satisfaction of employee towards their job as it is the major factor for turnover intention.

Table 4.2.2 Organization and work environment factors of professional staff turnover intention

One-Sample Statistics				Test Value = 3					
				t-value	Df	p-value	Mean Difference	95% Confidence Interval of the Difference	
	N	Mean	Std. Devia.					Lower	Upper
Management has created an open & comfortable environment.	267	2.86	1.19	-1.96	266	0.05	-0.142	-0.285	0
There is a good relationship between the workers and the management in the bank.	269	3.07	1.07	1.03	268	0.306	0.067	-0.062	0.195
There is no discrimination in the bank based on gender, ethnicity or on any other bases.	267	2.94	1.24	-0.84	267	0.399	-0.063	-0.211	0.084
At work, I have the necessary equipment and tools to facilitate my job.	267	3.59	1.01	9.86	266	0	0.599	0.48	0.719
I like the working condition of my organization.	267	3.36	1.08	5.46	267	0	0.358	0.229	0.487
Aggregate mean	270	3.16	0.81	3.3	269	0	0.162	0.065	0.259

Source, questionnaire, 2017

The table 4.2.2 displays that $t(270) = 3.30$, $p = 0.001 < 0.05$ and Confidence interval lies between (3.06, 3.26). Thus, the average level of agreement towards the statements is 3.16 which is significantly higher than the mean. This implies that employee of Nib bank has a favorable attitude towards the organization and work environment factor.

As per the interview with the HR officials employee who leave the bank due to the bank's work environment conditions is not significant.

However, towards the statements "Management has created an open and comfortable environment", the mean response is 2.86 ($t = -1.96$, $p = 0.0504 > 0.05$) and "There is no discrimination in the bank based on gender, ethnicity or on any other bases", the mean response is 2.94 ($t = -0.84$, $p = 0.399 > 0.05$) which both statements has no significant difference from the moderate level. Thus, the employee has a moderate level of attitude towards the statements which also questions the bank's openness towards the work environments which needs further improvements.

As per (Shukla, S. and Sinha A. (dr.), 2013) the prime factor for employee turnover as per the respondent in banks is work environment. The employee in the bank counted career growth as their prime force for turnover. They always put pressure on the available opportunity and management relations. Thus, they turn over for new venture for better wages or salary compensation.

Table 4.2.3 Growth opportunity factors of professional staff turnover intention

One-Sample Statistics				Test Value = 3					
				t-value	Df	p-value	Mean Difference	95% Confidence Interval of the Difference	
	N	Mean	Std. Deviat.					Lower	Upper
There are ample opportunities available for internal promotions in my company.	268	2.62	1.04	-5.91	267	0	-0.377	-0.5	-0.25
I am sure of career growth in my company.	267	2.89	1	-1.83	266	0.068	-0.112	-0.23	0.01
There is empowerment in my Job role.	259	3.05	0.97	0.89	258	0.371	0.054	-0.06	0.17
There is an opportunity to develop multiple skills in my job.	268	3.13	1.06	2.06	267	0.04	0.134	0.01	0.26
My company provides adequate training and learning opportunities related to my job	268	3.06	1.17	0.88	267	0.376	0.063	-0.08	0.2
Aggregate mean	270	2.95	0.76	-0.9	269	0.374	-0.0415	-0.13	0.05

Source, questionnaire, 2017

The table 4.2.3 above portrays the one sample t-statistics that $(t(270) = 2.95, p=0.374 > 0.05)$ and Confidence interval lies between (2.87, 3.05). The average response for the factor growth opportunity is 2.95 which is significantly has no difference from the moderate level of response. This means the employee of Nib bank has a moderate attitude towards internal career growth advancement which signals the needs for the bank to improve further so as to deal with the turnover intention of the employees.

The level of response towards the statement “There are ample opportunities available for internal promotions in my company” shows the mean response is 2.62 ($t = -5.910$,

$P=0.000<0.05$) which is significantly lower than the moderate level. This implies that there is unfavorable response towards the statement which the opportunity to be promoted to higher promotion in the bank needs to be improved.

The level of response towards the statement “I am sure of career growth in my company” shows the mean response is 2.89 ($t= -1.834$, $P=0.068>0.05$) which significantly has no difference with the average mean. This implies that there is moderate response towards the statement which the ladder for career growth in the Bank may not be adequately designed. This has a strong link to turnover intention. As per (Kanwal, B. and Tariq, A., 2016) Career growth opportunities are to groom the employee for further development by offering different Courses. It is the real reasons behind turnover, search for some new job with better opportunities as compare to present job will increase the intentions to leave the current job.

As per the response of the HR officials of the bank, Searching for better opportunity, growth and high caliber has also mentioned as a reason for why employee leave, next to salary and benefit package. The turnover is observed mostly in professional and managerial positions of the bank.

Table 4.2.4 Salary factors of professional staff turnover intention

One-Sample Statistics				Test Value = 3								
				t-value	df	p-value	Mean Difference	95% Confidence Interval of the Difference				
N	Mean	Std. Deviation	Lower					Upper				
I am very satisfied with my salary.				268	2.29	1.05	-11	267	0	-0.709	-0.835	-0.582
I feel I am being paid fair amount for the work I do.				268	2.35	1.04	-10.1	267	0	-0.646	-0.771	-0.52
The salary of the bank is good according to the work you are performing.				270	2.31	1	-11.2	269	0	-0.685	-0.805	-0.565
Over the past two years, the management here has introduced changes in the payment system.				265	2.35	1.06	-9.91	264	0	-0.645	-0.774	-0.517
My pay compares fairly with the pay of people doing similar work in other banks.				267	2.03	1	-15.8	266	0	-0.966	-1.086	-0.846
Aggregate mean				270	2.27	0.82	-15	269	0	-0.728	-0.83	-0.629

Source, questionnaire, 2017

The information provided under the table 4.2.4 displays the one sample statistics for salary factor ($t = -14.507$, $p = 0.000 < 0.05$) and confidence interval lies between (2.17, 2.37) and mean response is 2.27. The employee rate to each five statement is significantly lower than the moderate value which the p-value to each statement is 0.000 which is lower than 0.05. The result implies that employees are dissatisfied with their salary system of the bank, its fairness and equity which results in turnover intention. The management of the bank has long been revised its salary system which contributes highly to turnover intention. Thus, salary and pay factors are one the factors for employee turnover intention.

As per the response of HR manager and officials of the bank, the most significant reason why employees leave is salary and benefit packages which salary is mentioned as major reason. Most commercial banks has provided better salary and different attractive benefit packages as a competitive strategy which the Bank has long been revised its pay systems which leads to dissatisfaction to employee of the bank in terms of its fairness and equity. (Kanwal, B. and Tariq, A., 2016) suggest pay structure will also help to increase the job satisfaction of the employees. If a person is given the pay on equal basis, plus the increase in the pay/salary of the employees, it will increase their motivation level.

Table 4.2.5 Nature of the job factors of professional staff turnover intention

One-Sample Statistics				Test Value = 3					
				t-value	Df	p-value	Mean Difference	95% Confidence Interval of the Difference	
N	Mean	Std. Deviation	Lower					Upper	
My job requires me to do many different things as work, using a variety of my skills and talents.	270	3.4	1.05	6.3	269	0	0.4	0.275	0.525
This job requires me to use a number of complex or high-level skills.	267	3.13	1.08	1.9	266	0.055	0.13	-0.003	0.257
Overall, my tasks are not simple and repetitive.	266	3.11	1.14	1.6	265	0.109	0.11	-0.025	0.251
My job requires that I make use of a wide range of my talents or abilities.	268	3.25	1.13	3.7	267	0	0.25	0.117	0.39
Aggregate mean	270	3.22	0.89	4.1	269	0	0.2	0.117	0.33

Source, questionnaire, 2017

As it is shown in the table 4.2.5 on average employees response level towards the nature of the job is 3.22 and t-statistics is (t=4.14, p=0.000<0.05) and Confidence interval lies

between (3.117, 3.330). This implies that the overall level of agreement for the nature of the job is a slightly significant above the moderate level. This means employees of Nib bank have shown a slight favorable attitude towards their job.

Regarding the statements “this job requires me to use a number of complex or high level skills” which the mean score is 3.13 and “Overall, my tasks are not simple and repetitive” which the mean score is 3.11 and the p-values for both statements are greater than 0.05 i.e. $p = 0.055$ and $p = 0.109$ respectively. This shows the employees response towards the statements has no significantly different from the moderate level. The employees have a moderate attitude towards the complexity of job, professional requirements, its repetitiveness and simplicity of the job. As per the response of the HR officials, the job performed by the front line staffs (Customer service officers) is characterized by its tedious, exhausting and routine nature. Thus, it might leads to turnover intentions. The finding is the same as with the finding of (Daniel.P.Y.2014), which suggests the nature of the job has significant effect to turnover intention. Therefore, the company should attempt to increase job satisfaction with create manual book (the nature of job).

Table 4.2.6 Factors of professional staff turnover intention

One-Sample Statistics				Test Value = 3					
				t-value	df	p-value	Mean Difference	95% Confidence Interval of the Difference	
N	Mean	Std. Devia.	Lower					Upper	
I “often” think about quitting.				4.2	269	0	0.3	0.158	0.435
I will “probably” look for a new job next year.				8.7	269	0	0.57	0.445	0.704
It is “likely” that I will actively look for a new job next year.				6	269	0	0.43	0.287	0.565
Aggregate mean				7.4	269	0	0.4	0.317	0.547

Source, questionnaire, 2017

Table 4.2.6 indicates the level of turnover intention in Nib Bank. It shows that the overall level of agreement towards turnover intention is an average mean of 3.43 and the one sample statistics is ($t=7.40$, $p=0.000<0.005$) and the confidence interval lies between (3.317, 3.547). The result implies that the employee's level of agreement to turnover intention is significantly higher than the moderate level. This means employees of Nib bank have a significantly higher level of agreement towards turnover intention. All the three statements mentioned under the turnover intentions uniformly confirm the aforementioned facts. Therefore, there is a high inclination to quit their job. This might bring the actual turnover of the bank.

All the HR officials of NIB Bank have responded that the bank is experiencing a high rate of turnover and employees are leaving and entering to the competing banks. The manager has stated that employee turnover has become unmanageable which is frequent and high. As per the response, the turnover has observed mainly in the training pool of employee and customer service officers of the bank. These employees after acquiring the necessary skill and finished their on the job training they immediately leave the bank. Consequently, join other banks which offer better salary and benefit packages.

As it is mentioned in the statement of the problem part about turnover rate obtained from Nib Bank HR Administration Annual Report 2015/16 and the turnover rate for the most recent years from the year 2013/14 to 2015/16 are 11.3%, 10.8% and 9.6% respectively which on average shows 10.6%.

4.3. The challenges the bank has faced due to turnover

The third research question is designed to assess the challenges that the bank has faced due to turnover. The HR officials of the bank have responded that they have encountered several challenges due to turnover.

- The HR department has spent most of its time in recruiting and selection of employees to be replaced by those who leave the bank let alone the monetary cost associated with starting from advertising and related costs. Thus, in addition to this, it creates more burden and the opportunity cost for the managements time.

- The HR officers confirms that most branch managers bitterly complains that some important positions like senior and junior customer service officers and professional positions are unfilled for the posts which creates more work burden, creates frustrations on the existing employees.
- Quality of customer service has greatly affected when senior staffs leave the bank. In turn, inconsistencies are created due to the loose of personnel who are well aware of the bank's history and know the customers very well. Thus, the expected outputs will affected and in turn organizational objectives are greatly affected.
- The existing employee lost their time on coaching and mentoring.
- The newly replaced employee will take time to fit to their job, costs the banks resources until to learn their job and to deliver the expected outcome.

4.4. The methods Nib bank has been practiced to overcome turnover

As per the HR officers response exit interview sessions are arranged for senior employees of the bank which is part of job satisfaction survey. The bank will then negotiate with the employee who wants to leave the bank. The employee reason for leaving can be managed if it is in connection with location change, transferring to other departments and all reasons that can be managed by the HR departments will get solutions through negotiations. If the reason is the kind of request like better salary and benefit, getting better opportunity and poor attitude with organizational environment such kind of request cannot be addressed immediately which requires to see the policy and procedure of the bank. Thus, retaining the person through negotiation in this step was not successful. Other techniques to reduce turnover is through promotion. Comparing to the previous years, promotions which was done in one budget years are taken place in one quarter in recent years for those who has the necessary qualification and experience. This may help to reduce turnover to some extent. However, the problems of turnover were not given due emphasis by the management.

The Bank does not have a well-designed retention strategy. The bank does not implement a program for retaining important employees through training, designing an effective

career ladder or replacement charts, effective promotion systems, improving benefit and salary systems, motivational and reward systems, work environment and supervisory support.

4.5. The Difference in Turnover Intention by Demographic Variable

In order to investigate the demographic characteristics of employee in relation to intention to quit, the researcher used a one-way ANOVA. One way anova is used to test statistical differences among the means of two or more groups. The one way anova or the f-statistics evaluates whether the group means are significantly different.

Table 4.5.1 One-way ANOVA for Difference in Turnover Intention by Demographic characteristics

Respondents Background		N	Mean	Std. Deviation	95% Confidence Interval for Mean		F-value	p-value
					Lower Bound	Upper Bound		
Age Group	20-30	134	3.52	1	3.4	3.68	2.13	0.097
	31-40	98	3.37	0.9	3.2	3.56		
	41-50	28	3.33	0.9	3	3.69		
	more than 50	8	2.71	1.2	1.8	3.67		
	Total	268	3.42	1	3.3	3.54		
Service Year	less than one year	44	3.28	1	3	3.58	0.67	0.569
	1 up to 5 years	93	3.51	1	3.3	3.7		
	6 to 10 years	78	3.48	1	3.3	3.7		
	more than 10 years	48	3.38	1	3.1	3.65		
	Total	263	3.44	1	3.3	3.55		
	Less than 5,000.00	43	3.36	0.9	3.1	3.64	1.94	0.123
Salary Group	5,000.00-7,500.00	70	3.64	1	3.4	3.88		
	7,501-10,000.00	73	3.46	0.8	3.3	3.66		
	more than 10,000.00	81	3.27	1	3.1	3.5		
	Total	267	3.43	1	3.3	3.55		
Job category	Managerial and supervisory	48	3.13	1	2.8	3.43	2.66	0.072
	Professional	105	3.47	0.9	3.3	3.64		
	Clerical	95	3.51	1	3.3	3.71		
	Total	248	3.42	1	3.3	3.54		

Source: SPSS Output for the data collected by the researcher

The researcher had performed ANOVA with four groups corresponding to turnover intention. The result of one-way ANOVA as shown in the table 4.3.1 ($F=2.125$, $P=0.097>0.05$) illustrates that the mean response of turnover intention among different age group of all employee at NIB has no significant difference between them. Thus, there is no significant difference in the turnover intention of all personnel at Nib at four different age groups.

The result of One-way ANOVA as shown in the same table above ($F=0.673$, $p=0.569>0.05$) demonstrates that the mean response of turnover intention between different length of service of all employee at NIB. Thus, there is no significant difference in the turnover intention of all employees at NIB from the four different service year groups.

The result of one way ANOVA in the table 4.2.2.1 for different salary level ($F=1.944$, $P=0.123$) shows that the mean response for turnover intention among different salary level of employees at NIB. Thus, there is no significant difference in the turnover intention of all employees at NIB from the four different salary levels.

The one way ANOVA also shows for the different Job category ($F=2.655$, $P=0.072$) that the mean response of turnover intention among employee found in Managerial and supervisory, professional and clerical positions of Nib Bank. Thus, there is no significant difference between them.

Table 4.5.2 Result of Group Statistics for Difference in Turnover Intention by Sex

Independent Samples t -Test can compare the means for two groups. Thus, it is used to compare the mean response of male and female employee of Nib bank.

Sex of respondents	N	Mean	Std. Deviation	t-value	p-value	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Male	165	3.36	0.979	-1.47	0.14	-0.1761	-0.41	0.05914
Female	105	3.54	0.921					

Source: SPSS Output for the data collected by the researcher

As per the table 4.3.2 above the t-test for group statistics of the respondents between Male and Female ($t=-1.474$, $p=.142$) showed that the mean response of turnover intention between male and female employee of Nib bank has no significant difference between them.

4.6. Relationship between Factors affecting Turnover Intention

In this part the correlation analysis has made between each independent variables and the dependent variable. This is used to check whether there exist positive or direct relationships and negative or inverse relationships and also whether it is strong, low and moderate relationships between the variable factors.

According to (Muijs, 2004) cited in (Wogari, M., 2016), Pearson correlation coefficients vary between -1 and +1, with +1 indicating a perfect relationship (a high score on variable X= a high score on variable Y), -1 a perfect negative relationship (a high score on X=a low score on Y), and 0= no relationship. As for the strength of the relationship, the closer to + or -1, the stronger, the closer to 0 the weaker. As per (Muijs, 2004); the cut-off points for the interpretation of the strength of correlation coefficients are: (+ or-) 0.80 to (+ or-) 1 is very strong; (+ or-) 0.50 to (+ or-) 0.79 is Strong correlation; (+ or-) 0.30 to (+ or-) 0.49 is Moderate correlation; (+ or-) 0.10 to (+ or-) 0.29 is Modest correlation and Less than 0.1 Weak correlation.

Table 4.6.1 Correlation Matrix

Job Satisfaction	Job Satisfaction	Work Environment	Growth Opportunity	Salary Issue	Nature of Job	Turnover Intention
	1					
Work Environment	.386**	1				
Growth Opportunity	.356**	.544**	1			
Salary Issue	.354**	.410**	.477**	1		
Nature Of Job	.373**	.133*	.266**	.206**	1	
Turnover Intention	-.466**	-.316**	-.328**	-.538**	-.213**	1
**. Correlation is significant at the 0.01 level (2-tailed). * . Correlation is significant at the 0.05 level (2-tailed).						

Source: SPSS Output for the data collected by the researcher

As per the table 4.4.1 correlation matrix findings described that turnover intention has significant relationships with all the factors mentioned in the independent variables.

Salary is the most correlated variable to turnover intention. The correlation, $r = -.538$ shows salary has a strong negative relation with turnover intention. This implies the dissatisfaction level of the employee's salary is high there is a high turnover intention.

Job satisfaction with $r = -.466$ is the second highly correlated to employees turnover intention, thus it has a moderate negative relation with turnover intention.

Growth opportunity is the third factor which its score is $r = -.328$ shows moderate negative correlations with turnover intention.

The fourth correlated factor is work environment which its score is $r = -.316$ shows moderate negative correlation with turnover intention.

The least correlated factor is nature of the job which its score is $r = -.213$ shows modest negative correlation with turnover intention.

In general, all the Independent variables are negatively or inversely correlated with turnover intentions. Salary is the primary factor mentioned for turnover intention. Job satisfaction is next factor which are followed by Growth opportunity and work environment respectively. Nature of the jobs is identified as the least correlated factors of turnover intention among other variables.

4.7. Regression Results

In this section the researcher used a regression analysis in order to test the extent of impact of five independent (explanatory) variables on the dependent (explained) variable i.e. turnover intention.

The beta coefficients can be negative or positive and have a t -value and significance of that t -value associated with each. If the beta coefficient is not statistically significant (i.e., the t -value is not significant) no statistical significance can be interpreted from that predictor. If the beta coefficient is significant, examine the sign of the beta. If the

regression beta coefficient is positive, the interpretation is that for every one unit increase in the predictor variable the dependent variable will increase by the unstandardized beta coefficient value.

From the correlation analysis it is evident that employee turnover intention has significant relation with their satisfaction of the job, salary, work environment, the nature of the job, and growth opportunity. This implies that these variables have impacted turnover intention. Hence, a regression analysis was conducted to assess the level of impact of these variables have on employees' turnover intention.

From the regression analysis results shown below on the table 4.7.1, the R-square statistic, which is the coefficient of determination, tells the percentage contribution of all the five variables to influence turnover intention. From this it is evident that 36.5% of the turnover intention of employees is based on their satisfaction level on the job, salary, work environment, the nature of the job, and their perceived growth opportunity. In other words, these five variables have a considerably 36.5% impact on the determination of employees turnover intention.

The coefficient, B, tells the extent of reducing turnover intention if there is a one-level improvement to the determining variables. For example, a one-unit improvement in the employee's job satisfaction it is possible to reduce employee turnover intention by 0.356. Whereas, improvements in satisfaction level of employees with respect to Salary will reduce turnover intention by 0.483. The coefficient, B, for work environment, growth opportunity and nature of the job are all insignificant (statistically can be zero) as their respective p-value > 0.05 .

Table 4.7.1 Regression Results for factors affecting Turnover Intention

Model		Unstandardized Coefficients	Standardized Coefficients	t-value	p-value	R	R Square	Adjusted R Square
		B	Beta					
1	(Constant)	5.756		22.75	0	0.614	0.377	0.365
	Job Satisfaction	-0.356	-0.304	-5.295	0			
	Work Environment	-0.028	-0.024	-0.39	0.697			
	Growth Opportunity	-0.008	-0.007	-0.106	0.916			
	Salary	-0.483	-0.415	-7.226	0			
	Nature of Job	-0.009	-0.008	-0.156	0.876			

Source: SPSS Output for the data collected by the researcher

In order to further evaluate the individual impact of each variable on turnover intention, a step-wise regression analysis was conducted. The highest correlated to turnover, i.e. salary, is considered in the 1st step of the regression. From the table below the resulting R-square is 0.287. This indicates that, employee’s level of satisfaction about their salary alone has 28.7% impact on their turnover intention. The second variable used in the step-wise regression is employees’ job satisfaction. Inclusion of this variable along with salary resulted in R-square = 0.371. This is an increase of 0.084 = .371-.287. Hence, job satisfaction increases 8.4% impact on employees’ turnover intention.

Table 4.7.2 Step-wise regression for significant Coefficients

Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.	R	R Square	Adjusted R Square
		B	Beta					
1	(Constant)	4.854		33.522	.000	0.538	.289	.287
	Salary	-.626	-.538	-10.445	.000			
2	(Constant)	5.681		29.579	.000	0.613	.376	.371
	Salary	-.496	-.426	-8.246	.000			
	Job Satisfaction	-.369	-.315	-6.092	.000			

Source: SPSS Output for the data collected by the researcher

The regression is satisfied with salary and job satisfaction to explain turnover intention. The rest three variables need not be included in the regression as they do not improve the R-square. That is, they will add no more impact on turnover intention. This is because these two variables have significant correlation with salary and job satisfaction and their impact already implied with salary and job satisfaction.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Summary of major findings and discussion

The findings to why professional employee leave Nib bank are as follows. Salary is the primary factor that can be mentioned for turnover intention in Nib bank. The employees are expressed their high level dissatisfaction as per the researcher findings. The employee of Nib bank perceived the bank's salary system is not fair and does not ensure equity. Moreover, it does not revise timely to ensure competitiveness and retain the existing customer. Job satisfaction is the other reason to turnover intention. Employees do not show high level of satisfaction with their job and the employees consider in taking another job. Overall, employee of Nib bank has a favorable attitude towards the organization and work environment of the bank. However, they show low level agreement about the transparency and conduciveness of the work environment. Regarding internal career growth advancement, employee of the bank show moderate level of agreement. The employees also show moderate level of agreement to the opportunity to be promoted to higher position. Towards the nature of the job employees are not satisfied with the complexity, professional requirements and routines of the banks activities which increase the level of dissatisfaction and increase the level of turnover intention.

As per the interview responses, the researcher has found out that Nib bank has been experiencing a high rate of turnover for which a number of reasons are identified. In connection with high turnover, the Human resource department has lost most of its time in hiring new employees. The existing employees have also lost their time in coaching and mentoring. In addition to head hunting cost, the new employees take time to learn the work and to socialize with their environment. As per the respondents of HR officials, HRM department strives to manage the observed high turnover which new front line staffs has left the Bank acquiring the necessary skills due to attractive salary and benefit

offers in other banks. The Department has also faced a great problem in attracting the new staffs and replacing the already left employees. They play a great role in retaining the employee through negotiation. However, The management does not consider human resources as strategic and competitive factors which they think as they are easily replaced from the market. The mechanisms to manage the turnover in the bank are collecting data through exit interview only to senior officials of the bank and tried to negotiate. The Bank has promoted junior customer service to customer service positions as a mechanism to retain the employee. However, Exit interview may not dependable because employees don't respond truthful in fear of getting a bad recommendation. The technique to manage turnover is not as such effective as per the HR official's responses. The bank has no well-designed and effective retention strategy to deal with the turnover problem of the bank.

5.2. Conclusions

The researcher has made detail analysis about employee turnover intention in Nib bank and found out that there is a high turnover intention and high turnover rate in Nib Bank. As per the findings of the study the researcher concludes the following. The major factors that cause professional employee turnover intention are salary, job satisfaction, internal growth opportunities and nature of the job.

The researcher's observation is consistent with the findings of the study. Nib bank has long been revised salary and payment system. Employees of the bank are also dissatisfied with the benefit packages like housing and automobile allowance. Employees do not satisfied with the promotion system of the bank and most customer service officers leave the bank due to the provision for promotion is not ensured. Human resource management department spent significant part of their time dealing with the turnover problem of the bank. The department gives more time in replacing the lost employee and hiring the new one. The HR department is responsible in creating the best employee to the bank which its major activities are dominated by the problem of turnover. Thus, the problem does not receive due recognition from the higher management of the bank. Employees are considered as an asset that is easily replaced from the market.

5.3. Recommendation

The HRM department of Nib bank is striving to manage the high rate of voluntary turnover and the efforts to retain the competent employee should continue. As per the revealed findings and conclusions, the researcher forwards recommendations so as to strength and enables the banks to minimize the level of voluntary turnover to the best possible level.

- Before taking the other actions, the higher management of the bank should give due attention to the issue of turnover. Most of fresh graduate employees who joined the banks leave immediately after taking the necessary on the job training and acquiring the skills. They immediately join and work for the competitors. Turnover is also shown in the managerial and professional positions resulted in failure to maintain key personnel who are needed for the strategic activities. Different scholars stated that employees are the key resources that give competitive advantage to the firms if they are managed, motivated and retained effectively. Thus, the management of the bank needs to understand HR is a strategic element that gives a core competencies and it is one of the internal capabilities.
- As we can see in the correlation and in step wise regression analysis part, salary is the most correlated variables that have strong negative relation with turnover intention and its correlation coefficients $r = -0.538$ and salary alone has explained 28.7% impact on the turnover intentions. Therefore, the bank should make an adjustment on salary scale of its employee that take an account of the living cost of employees and in general the pay that creates the feeling of fairness and equity. Moreover, the bank's benefit packages should be revised in a manner that ensures competitiveness and retain qualified employees.
- Job satisfaction is the next higher impact on turnover intention as per the step wise regression which increases the impact to 8.4% along with the salary i.e. 28.7%. The variables affecting job satisfaction are numerous and complex. Therefore, the factors can be attributed to low level salary, the nature of job, growth opportunity and

organizational and work environment factors. Therefore as per the researcher findings to this effect:

- The bank should improve its environments by creating good relationships between the management and employees. Creating an environment that are motivating, inspire to work and invites to learn and develop multiple skills. For this, by giving effective training for the managers and team leaders so that they appreciate the positive contribution they can make to improving retention by the ways in which they lead their teams;
- The Human resource department should develop an effective career path and replacement charts and invites an employee to participate in career planning and based on that enable to provide their personal development plans. This motivates employee to have a clear sight for advancement and growth and to be hard work and committed.
- The bank should redesign some job like customer service officer positions. To mention: arranging flexi work hours, allow to work in different work positions , jobs should be challenging and encourage employees by giving them the chance to use the range of their skills and lead them to professional advancement.

Moreover, managing high turnover and retaining qualified employees has a paramount importance to the organizations. Let alone avoiding the costs incurred in terms of both explicit and implicit costs, the bank will improves operational and service excellencies, managing day to day operations smoothly and enable to increase organizational performances. These can be achieved by continuous follow up towards the determinant variables and causes that force an employee to leave the bank and take corrective actions towards the identified problems. Therefore efforts should be coordinated to attract the best employees and place an effective strategy to retain the competent employees.

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APPENDIXES



**ADDIS ABABA UNIVERSITY SCHOOL OF GRADUATE STUDIES
MA PROGRAM IN HUMAN RESOURCE MANAGEMENT**

Appendix 1: Questionnaire for Employees

Dear Respondents

I am a graduate student who is currently studying for Masters of Art (MA) degree in Human Resource Management in Addis Ababa University School of Commerce. I am conducting a study entitled "*Determinants of Professional Employee Turnover intention: In the case of Nib International Bank.*". This questionnaire is developed in order to conduct a thesis for the award of MA in Human Resource Management so the researcher would like to seek your assistance in order to make the study successful. The study will only be used for academic purposes and certainly you are assured of the confidentiality and anonymity of your participation in the study. In case you have any question, please do not hesitate to contact me using my telephone number **0911-571464** (Surafel Eshetu) or email (**surnatjr16@gmail.com**).

I look forward to receiving your reply.

Thank you very much, for your cooperation and timely response in advance.

Sincerely yours,

General Instruction

- No need of writing your name.
- Please put (√) this sign in the appropriate box or bracket.

Section 1. Description of Demographics

1. Sex: A. Male B. Female
2. Age: A. 20-30 B. 31-40 C. 41-50 D. More than 50
3. Marital status: A. Single B. Married C. Divorced/separated D. Widowed
4. Educational background: A. Diploma B. 1st Degree C. Masters D. PHD
5. Length of service A. Less than 1 year B. 1-5 Years
C. 6-10 years D. More than 10 years
6. Salary: A. Less than 5,000 B. 5,000-7,500 C. 7501-10,000 D. More than 10,000

1	I am very satisfied with my salary.					
2	I feel I am being paid fair amount for the work I do.					
3	The salary of the bank is good according to the work you are performing.					
4	Over the past two years, the management here has introduced changes in the payment system.					
5	My pay compares fairly with the pay of people doing similar work in other banks.					
V	Nature of Job	SA (1)	A (2)	N (3)	D (4)	SD (5)
1	My job requires me to do many different things as work, using a variety of my skills and talents.					
2	This job requires me to use a number of complex or high-level skills.					
3	Overall, my tasks are not simple and repetitive.					
4	My job requires that I make use of a wide range of my talents or abilities.					

Section 3. Turnover Intentions (Dependent Variable)

SA= Strongly Agree A= Agree N=Neutral D= Disagree SD= Strongly Disagree

<i>No</i>	<i>Item</i>	<i>Rate/Agreement level</i>				
<i>I</i>	Turnover Intentions	SA (1)	A (2)	N (3)	D (4)	SD (5)
1	I “often” think about quitting.					
2	I will “probably” look for a new job next year.					
3	It is “likely” that I will actively look for a new job next year.					

Appendix 2: Interview Questions

1. Do you think that there is a high rate of turnover in Nib Bank?
2. Why do most employees leave the bank?
3. Can you list some challenges the bank has faced due to turnover?
4. Does the bank use Exit interview or other methods to know the reason of turnover? If yes, how accurate are these methods.