Addis Ababa University

College of Business and Economics

Department of Management

Assessment of Causes of Employee Turnover and Intention to Leave in Nib International Bank

BY

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Declaration

I, undersigned declare that this thesis is my original work. Furthermore, all sources of materials used for the thesis had been duly acknowledged.

Name: ______________________________

Signature: ___________________________

Date: _______________________________

Place: Addis Ababa University

Certification

This is to certify that Esayas Yeyesuswork Sahledingele has done a study on the topic *"Assessment of Causes of Employee Turnover and Intention to Leave in Nib International Bank"*. This study is of her original work and all the sources of materials used for the thesis had been duly acknowledged.

Advisors Name: ______________________________

Signature: ___________________________________

Date: _______________________________________

Place: Addis Ababa University

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Abstract

The banking industry is exhibiting a notable increase since the sector has been open for private investment some twenty years ago. There is also a continuous branch expansion in the sector which resulted in a growing demand for skilled staff. Staff turnover has been a challenge to the banking sector in general and it is not different in the case of Nib International Bank as well. The current level of turnover in NIB is around 10% while the management has planned to bring it down to 3%. The major challenge of NIB is particularly the turnover of the technical staff. The main objective of this study is to assess the causes of turnover and intention to leave. The study was conducted using both primary and secondary sources of information. The primary data was generated though questionnaire and interview. The study was conducted using both quantitative and qualitative analysis method and is mainly descriptive. Frequency tables, mean and percentage were used to explain some of the factors. T-test and one way ANOVA was also used whenever appropriate. The study revealed that salary, benefits, position change and title change are the main causes of turnover and intention to leave. It also shows that there is a strong level of intention to leave that does not differ between gender, age, job position and years of service. A consistent application of HR policies and procedures particularly in promotion found to be a concern for employees. Factors that are contributing to the intention to leave are found to be mostly internal. The study recommends that NIB should conduct a comprehensive salary and benefit survey to position itself among the best employers in the industry. It should also address the concerns of employees in terms of application of HR policies and procedures in order to curb the situation and persuade employees to change their intention.

Key words: Turnover; Intention to leave, HR policies and procedures

Chapter One: Introduction

1.1. Background of the Study

The finance sector is one of the fastest growing in the Ethiopian Context. In particular the banking industry is exhibiting a notable increase since the sector has been open for private investment some twenty years ago. The number of private banks has reached 16 in such relatively short period. The type of banking products provided by these banks is more or less similar and they need to compete in the service they provide. Service provision by and large is dependent upon the number and quality of manpower the organizations have. In addition, almost all banks (both private and government) are engaged in continuous expansion in terms of opening of branches in their effort to reach the unbanked population. Close to 430 new branches have been opened by all commercial banks between June 2014 and June 2015. (Fortune, V 16, No. 802*)*. Due to this reason there is a continuous demand for manpower in the sector.

The availability of qualified, motivated and efficient work force is essential for every sector to function at a desired level. Organizations use different techniques to attract the type of people they need in their organization. To satisfy their growing demand for trained manpower, the banks rely on the available labor in the market which basically is the employees that are working in the same industry. Therefore, it is a common practice of the banks to take employees from one another. With the expansion of private financial institutions; experienced career bankers and insurers are moving from one institution to another with ever increasing speed (Ethiopian Business Review, 2013).

The major issue this sector is facing is that, those hired leave their jobs with the same speed they were engaged; hence, making labor turnover higher in the industry (Fortune, V 14, No. 708). Attracting employees for employment is one thing, keeping them is totally a different assignment for banks. This calls for having a clear understanding of the underlying factors that contribute to employee reason for leaving their jobs. In any organization, human resources policies should focus on supporting the main mission of the institution. Hence it should be clearly linked to the strategies and goals of the organization. The human resources functions main responsibility in any firm is to develop and implement a policy and practice that should enable the firm to attract, motivate and retain their key personnel. These policies should take into account the behavior of the employees. Therefore, understanding the intention of employees helps to formulate strategies that could solve the problem. As the theory of planned behavior of by Icek Ajezen points out, ‘intention is the immediate antecedent of behavior and itself is a function of attitude towards behavior’. (Ajezen, 2102 p: 438).

In light of this, this research attempted to investigate causes of employee turnover in NIB from the perspective of their intentions to leave. Hence, this study made use of the theory of planned behavior. Details of causes for high staff turnover has been investigated and analyzed using primary data collected using techniques explained in chapter three.

Intention to leave is according to Mobley (1982) is considered as part of a sequence in the psychological withdrawal of an employee from the job process. Scholars have argued that generally most employers do not pay serious attention to this concept, but rather dealing with the actual turnover; which is a manifestation of the intention to leave (Samuel & Chipunza, 2009). It is natural for individuals to think and plan when they think of changing their jobs (Nyamubarwa, 2013).

In addition, it is difficult to gain access to people who have already left to determine why they really quit, thus making the study of intention to quit more appropriate than actual turnover. Here one may argue the use of exit interview as a tool. Though information gathered form exit interview could indicate some areas of improvement, it may not be used to determine the potential of intention. Lastly employees who are thinking of quitting may still be persuaded to stay yet it is too late to change the work environment for those who have already left employment (Lambert & Hogan, 2009; Mitchell, et al., 2001). For this study, “intention to leave” refers to the subjective estimation of an individual’s probability of leaving an organization in the near future. (Nyamubarwa, 2013)

There have been some studies conducted related to turnover intention. Salaries and conditions of service, job performance, career growth, work environment, job satisfaction, supervisory style, promotional opportunities, and employee commitment were identified as the factors shaping turnover intentions of academic librarians in Zimbabwe (Nyamubarwa, 2013). There was also a study to identify the factors affecting turnover intention Paulsen also studied to identify factors that affect turnover intention in an engineering jobs (Paulsen, 2014). Another dimension of turnover intention that is burnout and organizational fit in the academic sector was also been studied. (Nabil, 2016).

In all of the above and other related studies related to turnover intention, the attempt was to identify the possible cause of turnover intention which could help decision makers focus on formulating appropriate human resource strategies. By the same token this study is useful to identify the true causes of turnover in the context of NIB related to technical staff which turnover is very high as acknowledged by the bank management.

1.2. Background of Nib International Bank S.C

Nib International Bank (NIB) was established on 26 May 1999 under license no. LBB/007/99 in accordance with the Commercial Code of Ethiopia and the Proclamation for Licensing and Supervision of Banking Business Proclamation no. 84/1994 with the paid up Capital of birr 27.6 million and authorized capital of Birr 150 million by 717 Shareholders. The Bank commenced the operation in 28 October 1999 by 27 employees.

Currently, the authorized and paid up Capital reached Birr 2.0 billion and Birr 1.3 billion respectively. Shareholders' and employees' number increased to 3,941 & 2,678 respectively. The Bank has 114 branches spread throughout the country.

The Bank implemented Mobile and Internet Banking through which it is issues NIB cards and was placed its ATM's at various locations throughout the Country provides its diversified products in convenient way to our dear customers. Moreover, to enhance the application of modern banking technologies and provide competitive service via a wide range of card banking services, the Bank has established a strategic partnership with MasterCard VISA which is one of the breakthroughs to provide international payment service and a lot is accomplished to start accepting Union Pay branded cards.

NIB is vision is to become an Icon of Excellence and the leading commercial bank in Ethiopia. While it has a mission of providing customer focused, efficient and effective full-fledged commercial banking services by deploying qualified, honest, motivated staff and state-of-the art technology and thereby optimize stakeholders' interest.

The objectives of NIB is to render efficient and effective domestic and international banking services and address the banking service need of the society. Particularly it intends to contribute to the monetization and growth of the economy by nurturing banking habit in the society. The other objective of the bank is to bring about modern banking technology and professionalism in the banking sector. Inevitably, like all business setups generating optimum return for the Bank's shareholders is among the objectives. To carry out its mission, NIB has also clearly set out its principles and values. These include; loyalty; transparency, accountability; honesty and integrity; social responsiveness; organizational excellence; equal employment opportunity; prudent and professional banking practice and competitive services and sustainable growth.

1.3 Statement of the Problem

The cause of high employee turnover could be multi-faceted. It could be associated to internal conditions or external as well. However, having sets of human resource policies and practices that support the organization's objective is crucial to understand and manage employee turnover. In addition, the practical application of these polices is also equally important.

Nib International Bank is operating in a highly competitive industry where products are more or less identical. Therefore, having qualified and motivated staff is a key to be a winner in the sector. However, it has been noted that there is a high employee turnover that has posed a serious challenge in the service delivery. As indicated by the Ethiopian Bankers Association, employment turnover, especially for mid-level and upper level managers, is not only the challenge it is rather becoming the general character of the financial sector. It is also asserted in the same article that experienced career bankers and insurers are moving from one institution to another with ever increasing speed. (Ethiopian Bankers Association, 2014). If this situation is left unchecked it will have a serious impact in the growth and competitiveness of the bank.

The discussion with the bank officials at different level reveals that the bank believes that it has a clearly defined HR policies and all effort has been made to put these polices in practice. In spite of all this fact, the bank has a serious challenge in retaining qualified manpower particularly employees with managerial and technical categories.

One of the strategies of the bank in growing its business is branch expansion. The level at which NIB is developing its staff to a managerial level and the pace at which its branches are expanded is not matching. As a result, the bank is forced to assign less experienced managers to a fairly senior position whenever possible with a serious compromise to service quality.

The other pertinent issue that should be addressed related to the subject at hand is the difference in perception of the existence and application of the policies from the perspective of the management and the point of view of the employees. A clear and consistent communication of policies and practices goes a long way in creating a common understanding and hence contributing to addressing turnover issues.

Having all of the above in mind, this research attempted to identify the root causes of employee turnover in light employees' intention to leave. Particular reference will be made to those employees who are classified as technical staff. The information obtained from the HR department of the bank reveals that employee turnover particularly at junior level is very high. In the last quarter of 2015 alone 78 employees have left the bank while 115 have joined. In the current year the bank set a target of reducing employee turnover to 3% from the current 10%. (NIB Annual Report, 2015)

Studying the intention of existing employees to stay or leave NIB is expected to help identify the root causes of why they want to leave or what keeps them motivated to stay in the bank. The study has been structured to include various factors that affect decision of employees related to their employment. Though an attempt has been made by NIB to identify the causes through exist interview of those who resigned, it did not brought enough information as explained by the human resources officials of NIB.

1.4 Research Questions

The research is designed to answer the following questions in relation to causes of employee turnover in Nib International Bank.

- What is the level of employees' intention to leave NIB?
- What are the major causes of technical and managerial staff turnover in NIB?
- What are the factors that contribute to employee turnover in NIB?
- Does the level of employees' intention to leave NIB differ based on certain employee characteristics?

1.5 Objective of the Study

The main objective:

- To identify the major factors that contribute to employee turnover in technical, managerial and clerical staff of Nib International Bank (NIB).
- To assess the level of employees intention to leave.

Sub objective:

- To show the relationship between employee intention to leave and employee turnover.
- To come up with opinions that could help curb the situation on the basis of the findings.

1.6 Rationale / Justification

In the current banking industry where products offered are nearly identical, the major factor that could differentiate one from the other is service. It is a common knowledge that provision of service is highly dependent on the human resource on which also apply to the banking industry as well. High employee turnover characterizes the industry at the moment and not surprisingly the turnover is mostly within the industry. In this research work, an attempt will be made to check the causes of employee turnover by studying employees' intention to leave by considering one of the private Banks from the industry particularly Nib International Bank S.C.

1.7 Scope of the Study

The scope of this study was limited to assess the major causes of employee turnover focusing on internal factors such as level of pay, opportunity for advancement, existence of clearly defined HR policies and procedures, and personal values. In addition, the scope of the project is limited as it will be focusing only in employees that are classified as managerial and technical. It will also take into account NIB branches of Addis Ababa. This study will not consider the non-technical staff.

1.8 Significance of the Study

This research will be important to the management of Nib Bank, as a primary concerned body in reducing employee turnover. It will show the management the main factors that are contributing to employee turnover to help them formulate strategies to curb the situation.

In addition the following benefits could be obtained from the research:

- The result could give lesson to the situation of other similar banks in the sector;
- It can contribute to the existing knowledge and practice of retaining of employees through understanding turnover intention in the context of Ethiopian private banks;
- It will serve as a reference point for subsequent researches on the causes of employees’ turnover by giving emphasis on turnover intention.

Chapter 2 Literature Review

Review of relevant literature and definition of concepts is presented hereunder.

2.1 Definition of HR, Policies and Practices

Prior to dealing with HR Policies and Practices, it is essential to explain workable definition of Human Resources and related terminologies. The term 'Human Resources' 'human resources' (HR) have largely replaced the term 'personnel management' as a description of the processes involved in managing people in organizations (Armstrong, 2006, p3). Human resources management is an important function in any organization. One of the versions of the definitions that fits this study his given by Armstrong. In his book Human Resources Management Practice, he defined human resource management as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives (Armstrong, 2006, p3).

HR management follows a logical sequence of various elements in order to function. These elements include HR philosophies, HR strategies, HR policies, HR processes, HR practices and HR programs (Armstrong, 2006, p4). When we look in detail it is important to define the two important elements that are highly relevant to this study. These two elements are HR Policies and HR practices. Managing people requires values and principles. These values and principles are manifested through HR Policies. HR Policies, which are the guidelines defining how these values, principles and the strategies should be applied and implemented in specific areas of HRM (Armstrong 2006, P4). Having policies by itself does not assure effective management of human resources. Practicing the policies is equally important. HR practices is about how we manage our people. It is about our approach. The application of these policies help the organization to attract, retain, and motivate its employees. Failure to do that will contribute to unwanted turnover of employees.

2.2 Definition of Employee Turnover

Employee turnover has been defined in different manner. Macy and Mirvis (1983) define employee turnover as "A permanent movement of employees beyond the organization." It should be clearly noted that an intentional termination, promotion or transfer of employees by the employer should not be considered as turnovers as clearly indicated in the above definition.

Employee turnover should refer only to separation of the employee and the company whereby it is initiated by the employee. In another version employee turnover is defined as the rotation of workers around the labor market; between firms, jobs and occupations; and between the states of employment and unemployment Abassi et al. (2000). The term "turnover" is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Employee turnover is also defined as, "The movement in to and out of an organization by workforce." by Edwin Flippo (1988). Graham (1980) also provide a broader sense of employee turnover definition as, "The movement of people or employees in and out of the firm on the assumption that the leaver is eventually replaced by a new employee." As we can see from the various definitions provided above we can safely say that, employee turnover refers to the separation of employees from the organization on a permanent basis. In all the definitions the main actor for the separation is the employee.

2.3 Possible Reasons of Employee Turnover

A number of reasons can be cited as reasons for employee turnover. Unless it is clearly pointed out one or multiple factors could be responsible for turnover to happen. Since it is initiated by the employee, organizations need to identify the root cause and manage it before it pauses a serious problem. According to the book, Beginning Management of Human Resources (Portolese, 2012, p 235) there are at least five common reasons why employees leave. These five common causes are:

- A poor match between the job and the skills of the employee. This issue is directly related to the recruitment process. When a poor match occurs, it can cause frustration for the employee and for the manager.
- Lack of growth. Some employees feel "stuck" in their job and do not see a way to have upward mobility in the organization.
- Internal pay equity. Some employees, while they may not feel dissatisfied with their own pay initially, may feel dissatisfaction when comparing their pay with others.
- Management. Many employees cite management as their reason for leaving. This can be attributed to over managing (micromanaging) people, managers not being fair or playing

favorites, lack of or poor communication by managers, and unrealistic expectations of managers.

- Workload. Some employees feel their workloads are too heavy, resulting in employees being spread thin and lacking satisfaction from their jobs, and possibly, lack of work-life balance as a result.

It is possible to see from the above non exhaustive list of causes that the reasons for turnover are many and diverse. This is a complex issue that organizations need to give a prime importance to address. It should also be noted that the above reasons are mostly under the control of the management and it warrants a clearly defined HR policies and their application in day to day basis.

There is also an attempt to classify the reasons for employee turnover in two broad categories. Henry Ongori, 2007 classified it as job related and organization related. Though a definitive conclusion may not be reached, job related factors relates to the experience of job related stress, the range factors that lead to job related stress, lack of commitment in the organization; and job dissatisfaction make employees to quit Firth et al. (2004). There are other factors like personal agency refers to concepts such as a sense of powerlessness, locus of control and personal control. Locus control refers to the extent to which people believe that the external factors such as chance and powerful others are in control of the events which influence their lives Firth et al. (2004). On the other hand organizational factors refers to issues such as organizational instability. A predictable work environment is important for employees' stability. Unsettling environment results in the reverse which high turnover. In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Alexander et al., 1994 as quoted by Ongori, 2007). Therefore, in situations where organizations are not stable employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement.

From the above one can understand that employers should try to work on factors of turnover that are classified as organization related. Organizations tend to depend on job satisfaction surveys as indicators of employee turnover. However, if they focus on individual level of organizational commitment they will get a better result to predict turnover of employees. It is also important if organizations focus on long term issues than short term ones when it comes to job satisfaction. A temporary job satisfaction of an employee may not necessarily mean that he or she is dissatisfied with the organization. Job related issues are more of short term problems that could be addressed easily than organization related problems.

On the other hand, it is not always true that employee turnover is unwanted. It is sometimes healthy that employee turnover exists and it not be avoidable at all times. Natural causes such as retirement and death could cause turnover. When such kind of turnover happens it may bring dynamism to the organizations when new replacements are engaged. The questions is which category of employees are leaving and why are they leaving. Institutions do not want to see their key performers leaving under any circumstances. However, if it is to the contrary it is desirable and should be encouraged.

2.4 Measurement of Employee Turnover

In order to measure the impact of HR policies and practices on the overall growth and competitiveness of the organization, the employee turnover should be calculated and a given target needs to be set. Labor turnover is defined as the proportion of a firm's workforce that leaves during the course of a year. The formula for calculating labor turnover according to Armstrong, is therefore:

$$\frac{\text{Number of employees leaving during period}}{\text{Average number employed during period}} \times 100$$

Source: (Armstrong, 2009, p 498)

Calculating the labor turnover could be useful to understand the situation in broad terms. However it is limited in terms of; clearly showing which categories of employees are leaving, does not take into account years of service and also the reasons of new hiring in a particular year.

Therefore, in order to accommodate some of the above limitations it is advisable to calculate Labor Stability Index (LSI) - This index is usually expressed as follows:

$$\text{Labor Stability Index} = \frac{\text{Number of leavers with more than one year's service}}{\text{Numbers employed one year ago}}$$

This index helps to identify leavers by years of service. For this study calculating this index is important as the banking industry is facing a serious problem of employee turnover particularly of new entrants.

For any organization, employee turnover is has a cost element attached to it. Advertising, screening and interviewing of candidates is just the top side of the cost. When employees leave a given organization they leave with the skill and experience acquired which is an investment from the organization point of view. It may not be practical to completely eliminate employee turnover, however, it should always be kept at an acceptable level. To help achieve this, relevant Human Resource Policies should be formulated and put in practices to enable organizations manage employee turnover. Investigating the root causes of employee turnover is not an option it is mandatory if organization would like to keep their competitiveness. It is even much more wise and advantageous to identify the root cause and tackle it before it happens. That leads us to the importance of identifying and measuring intention.

2.5 Turnover Intention

Oxford dictionary defines ‘intention’ as an aim or plan. When we discuss turnover intention it presupposes the predetermined plan or thinking from the employees’ part. Therefore it is essential as explained by Ajzen, to look into what lies behind the behavioral intention itself and how the intention is established in order to understand the intention of turnover. Fishbein and Ajzen (1975) developed a model that identifies the distinction between beliefs, attitudes, intentions and behaviors, with a main focus on the relations between the variables. Based on their theory, the single predictor of individual behavior is the measure of intention to perform the specific behavior. (Ajzen, 1991, p 183)

Fishbein (1967) early stated that the major determinants of behavioral intention are the attitude towards the behavior itself, together with the individual’s perceived subjective norms around him or her. The weight of the two determinants is expected to vary considering the behavior type in question, as well as with the conditions of the action (Fishbein & Ajzen,1975). Inconsistent relations between some variables and intentions may therefore occur because the employee may or may not consistently consider the normative component of the behavioral intention, or consider his or her beliefs about performing the specific behavior to the same degree as other employees. There are therefore, based on this theory, large variations in how an employee develop turnover intention. The factors contributing to the process of establishing turnover intention may, however, show a pattern among participating employees.

2.6 Operational Definition

The following is the definition of some of the job categories that are used in the study as defined in NIB human resource manual.

Managerial and supervisory job positions: these are positions which are in charge of planning, organizing, commanding, directing, controlling or supervising employees of a particular work unit. Incumbents on this position must have a good practical knowledge of administration, which enables them carry out organizational policies, procedures and programs effectively. A university degree is mandatory. Branch managers and those involved in one of the functions above fall in this category.

Professional job positions: these are positions which carry responsibility for professional or scientific research, investigation, analysis control, planning, advice, operation or execution or interpretation or application of professional and scientific knowledge. Those on this position need to have a university degree. These are employees who are responsible for information and knowledge creation of the bank. All employees with a job title of officer are in this group.

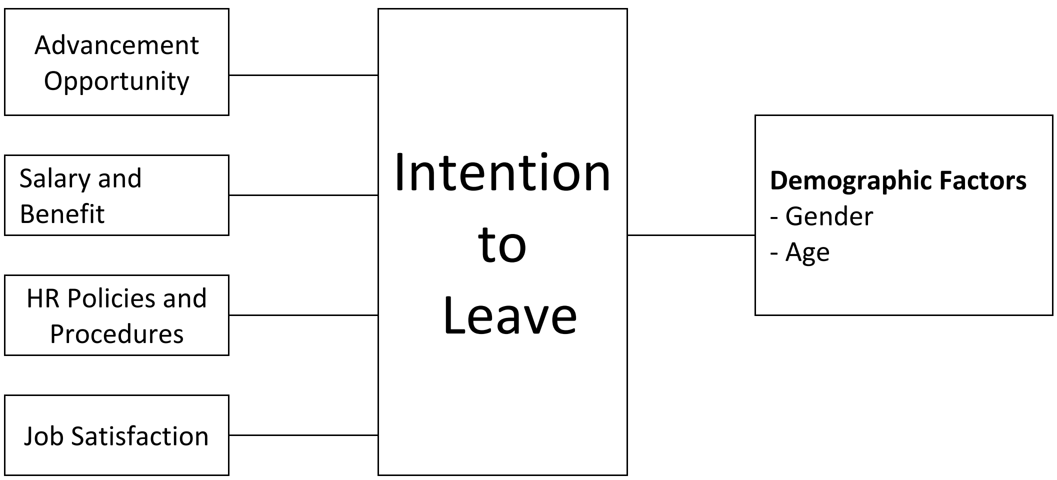
Clerical job positions: the principal duties of this position is routine or repetitive work such as; recording, filing, accounts, correspondence typing, operating office machines or computers. It mainly involves data capturing, processing and dissemination of information. The qualification requirement is certificate or diploma which a level below a university degree.

2.7 Conceptual Framework

Taking into account the objective of this study, an assessment of factors that contribute to the intention of leaving such as the existence and application of HR policies and procedures, job satisfaction, issues related to pay and advancement opportunities is essential as there is a direct relationship between them. Conceptual frame work is defined as a theoretical structure of assumptions, principles, and rules that holds together the ideas comprising a broad concept and the presumed relationship among them. It explains either graphically, or in narrative form, the main things to be studied – the key factors, concepts or variables (Miles and Huberman, 1994, p18 as quoted by Voughan 2008).

The conceptual framework shown in the figure below is used for this study that also take into account the relationship, if any, based on certain characteristics.

Figure 1 Conceptual Framework



Chapter 3 Research Methodology and Design

3.1 Research Design

The study is assessment of the level of intention to leave of employees of NIB. Hence, the research design used is mainly descriptive.

3.2. Research Methodology

The methodology employed for this research is a mixed type. Both quantitative and qualitative analysis has been used. According to Creswell (2011), the mixed research approach uses separate quantitative and qualitative methods as a means to offset the weaknesses inherent within one method with the strengths of the other method.

3.3. Data Source and Collection Methods

The main source of data for this is study primary data generated through the use of self-administered questionnaires. In addition unstructured interview and meeting with the Human resources officials of NIB has also been an additional source of primary data. Secondary data has also been generated through the review of annual reports of NIB and human resources policies and procedures.

3.4. Target Population

The target population taken to this assessment is employees of NIB that are working in Addis Ababa who hold the position of branch management, officers and clerk as the study focus is towards this group.

3.5. Sampling Method and Sample Size

A purposive sampling method has been used to segregate those that are more relevant to this study. The use of this method was warranted as the problem of turnover in NIB is more on professional level staff as explained in the research statement of the problem. Accordingly, nonprofessional employees are not included as it is out of the scope of this research. Nib International Banc S.C has 682 employees working in the function of branch management, officer and clerical in Addis Ababa branches as at April, 2016. To determine the sample size the table developed by Robert V. Krejcie and Daryke W. Morgan that is instrumental to determining sample size for research activities is used. This table basis itself on the formula developed by National Education

Association in 1960 which is widely used. Hence, the table shows that for a population size of 650 recommends a sample size of 242 while for 700 it is 248. Therefore, taking the higher band 248 has been taken as a sample size for this study. The questionnaire was administered for the selected group that are in the positions of clerk, officer and branch in NIB branches of Addis Ababa.

3.6. Data Collection Procedure

The designing of the questionnaire took into account gathering information that are relevant to the study. The information collected include, demographic, job category, years of service, educational level, job satisfaction, leaving intention, reasons for the intention, and preferred bank. During the development of the questionnaire feedback was sought from the advisor and also from others. It was tested to check it simplicity and ability of generating the relevant information prior to being administered.

3.7. Data analysis Method

The method employed for data analysis is mainly descriptive. Frequency tables, mean and percentage were used to explain some of the factors. T-test and one way ANOVA was also used whenever appropriate. The results are summarized and presented using tables and graphs. Qualitative interpretation has been employed to utilize information gathered through the interview and meetings. Consistency and completeness of the gathered information was check before analysis was carried out. Cronbach alpha was used to test the reliability of the items used in the study. All analysis is done using SPSS version 20.

3.8. Ethical Considerations

The purpose of study was explained to NIB management and agreement was secured before data collection is launched. The intention of the data to be collected was made clear to participants and the information obtained from them would not be disclosed to any party and solely used for academic purpose. To ensure that privacy of the respondent, name and other identifying information were not used in the study. Participants were asked to take part willingly and responded on their own accord.

Chapter 4 Data analysis, Results and discussion

The main objective of this study is to ass the level of NIB employees' intention to leave the bank. This has been assessed through primary data collected through the use of questionnaire. The following section describes the general characteristics of the respondents who have participated in this study.

4.1. Characteristics of the Respondents

A total of 248 questionnaires were distributed which is the actual sample size. After checking completeness of the questionnaires, the analysis is carried out using 248 questionnaires. The gender distribution of the respondents show that 48% are female while the remaining 52% are male. Regarding the age group of the respondents, 63% are between the ages of 21-30, those who are in 31-40 years of age amount to 27% while 7% are in the 41-50 age bracket. Only about 6% are above the age 50. The mean average age of the respondents is 32.1 for men and 28.9 for female.

In terms of marital status 241 out of the 248 have indicated their state of marriage. Accordingly, 45% are married while 54% are single. Concerning the educational background of the respondents, 13% have at diploma level while first degree holders and second degree and above are 81% and 6% respectively.

Table 4.1. Characteristics of the Respondents

	Items	Frequency	Percent
Gender			
	Male	128	52
	Female	118	48
Age			
	21-30	143	63.0
	31-40	62	27.3
	41-50	15	6.6
	Above 50	7	3.1
Marital Status			
	Married	109	45.2
	Single	130	53.9
	Divorced	2	0.8
Educational level			
	Diploma	31	13.1
	Bachelor Degree	191	80.9

MA/MSc and above	14	6.0
Current position		
Branch Management	50	21.1
Officers	154	65.3
Clerical	32	13.6
Years of service in NIB		
Less than three years	75	32.2
3-5	53	22.7
Above 5	105	45.1

The other important characteristics of the respondents is job category. Out to the respondents 21% are in 'branch management' while 65% are in the 'officer' position. The remaining 14% occupy the 'clerk' position. As shown in the above table, when it comes to the years of service, the majority of the respondents, 45%, have been with NIB for more than 5 years, while those who have served NIB between 3-5 years constitute 23%. The remaining 32% have been with NIB for less than three years.

4.2. Existence, Clarity and Consistent Application of HR Policies

The existence of clearly spelt out HR policies, its consistent application has its own role in terms of employees decision of staying in a given company. If they know how the HR policies can affect their career development they can anticipate their growth in the organization. Related to this issues respondents were asked to assess their level of understanding of the HR polices and how it affect them. The following table summarizes the findings.

Table 4.2 Existence, Clarity and Consistent Application of HR Policies

Rating	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
HR Policies are very Clear and Easy to understand	24	9.6	106	42.4	57	23.6	47	18.8	14	5.6
HR Policies are Fair and Consistent	19	7.7	89	36.2	64	26	61	24.8	13	5.1
Provided Copy of HR Policy	28	11.6	70	28.9	30	12.4	80	33.1	34	14
Aware of the effect of HR Policy	35	14.1	113	45.6	40	16.1	50	20.2	10	4
Consistent and clarity of application of HR Policy	13	5.3	78	31.6	66	26.7	75	30.4	15	6.1

Concerning clarity of HR policies in NIB, majority of the respondents 52% believe that the subject polices are clear and easy to understand. As opposed to this, about 24% of the respondents feel otherwise. 44% of the respondents assert that there is a consistent and fair application of these policies while about 30% do feel to the contrary. Only 40% of the respondents confirm that they have been provided the copy of the HR policy while the majority did not have it. This could be associated with the job position one holds the further analysis shows that about 65% of those in 'branch management' got the copy while this figure is around 32% for those in 'officer' post.

There is a pattern of agreement among the respondents in terms of awareness of the HR polices and how it addresses employment conditions where more than 50% are in agreement in both cases while those who disagree are below 30%. In terms of clarity and consistent application of HR policies respondents' opinion is evenly split as 36.9% are in agreement while 36.5% are in disagreement. The above show that there is a room for NIB to play in checking the clear communication and consistent application of HR policies.

4.3. Job Satisfaction and Related Issues

One of the factors assessed to determine the level of intention is job satisfaction and related issues. Towards this end seven questions that are very related to subject were presented to the respondents. These questions include attitude to come to work, work pressure, diversity of work the task relationship with supervisor and the existence of opportunities for advancement. The following table shows the summary.

Table 4.3 Job Satisfaction and Related Issues

Rating	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Excited to come to work	51	21.2	129	53.5	35	14.5	22	9.1	4	1.7
Tolerance of work pressure	71	29.3	149	59.6	11	4.4	9	3.7	2	0.8
Variety of work	11	4.5	61	25.2	45	18.6	90	37.2	35	14.5
Opportunity to work independently	32	13.4	113	47.3	47	19.7	35	14.6	12	5
Consultation with supervisor	32	13.2	116	47.7	40	16.5	42	17.3	13	5.3
Empathy of supervisor	28	11.9	114	48.3	45	19.1	34	14.4	15	6.4
Communication with supervisor	71	28.6	131	52.8	25	10.1	17	6.9	4	1.6

Concerning getting excited to go to work 74.7% of the respondents show agreement out which 21.2% feel very strongly. Only small portion (10.8%) of the surveyed employees feel to the contrary. Work pressure has no bearing on satisfaction as majority of the participants (90.9%) expressed that they can tolerate the work pressure. The issue of variety in wok has also been checked which resulted in 29.8% feel that their task is varied while 51.9% think it is routine. This is understandable take into account the industry under study as tasks in the bank is usually routine in nature.

When it comes to the opportunity of having to work independently, 60.7% of the respondents affirm positively while 19.6% feel differently. Supervisors' habit of consulting subordinates in matters that affect work has also received a positive response as 60.9% feel strongly about it. Only 22.6% of the respondent disagree with this habit. The empathy of supervisors towards their subordinates got a favorable rating where 60.2% showed their agreement. On the other hand 20.8% disagree with the level of empathy of supervisors. The large majority 81.5% of the surveyed employees feel there is a good communication between their supervisors, only 8.5% differ on this point. This indicates that there is a positive relationship between supervisors and subordinates which NIB should keep strengthening.

When it comes to the issue of opportunities for advancement in their job 50.8% feel that there is enough opportunity for advancement while 28.1% think to the contrary and the remaining 21.1% show indifference.

Table 4.4 Promotion opportunities and application fairness

	Opportunities for Advancement		**Promotion Practice Fairness**	
Rating	Frequency	Percent	Frequency	Percent
Strongly agree	24	9.9	21	8.5
Agree	99	40.9	72	29.3
Neutral	51	21.1	54	22.0
Disagree	53	21.9	62	25.2
Strongly disagree	15	6.2	37	15.0

As it shown in the above table it is important to see the two questions in comparison. Though about half believe the existence of opportunity for advancement the number falls down to 37.8% when it comes to fairness of promotion practice. While those who are neutral are fairly consistent in both cases those who disagree increases from 28.1% to 40.2% for the existence of opportunities and practice of fairness respectively. This affirms that there is a lot to improve in this area.

Whereas the respondents feeling about the existence of promotion in another banks is a bit different than in their own bank as it is shown in the table below. 61.4% of the respondents feel there is a better promotion opportunity in another banks and only 17.7% feel differently. Those who are neutral is fairly consistent in both cases it is around 22%.

Table 4.5 Promotion opportunities in another banks

Rating	Frequency	Percent
Strongly agree	48	19.5
Agree	103	41.9
Neutral	54	22.0
Disagree	26	10.6
Strongly disagree	15	6.1

In terms of personal values at work 63.3% of the respondents have confirmed positively that it has never been compromised. Only 10.1% of the respondents disagree with his assertion while 26.6% show indifference.

4.4. Salary and Benefit Related Issues

An assessment of employees' satisfaction level in terms fairness of salary level and benefits has been assessed and the result is summarized as below.

Table 4.6 Salary and Benefits and Related Issues

Rating of feeling about	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Salary level with colleagues	24	9.7	85	34.3	41	16.5	64	25.8	34	13.7
Salary level with others in the industry	9	3.6	39	15.7	38	15.3	109	43.8	54	21.7
benefits level with colleagues	28	11.4	116	47.2	48	19.2	40	16.0	14	5.7
benefits level with others in the industry	16	6.5	69	28.2	53	21.6	82	33.5	25	10.2

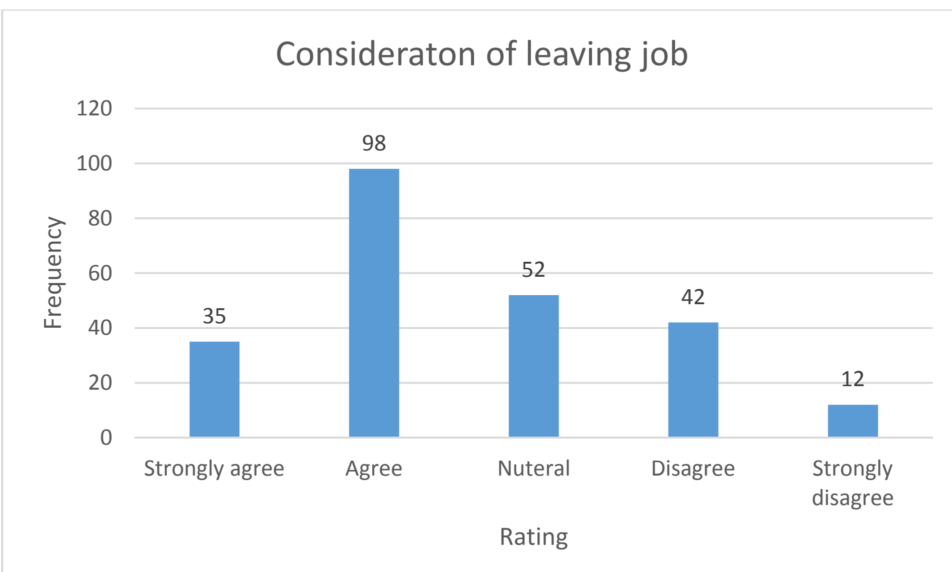
Within their peer groups shows that 44% of the respondent as agree on the fairness while 39.5% feel the opposite. 16.5% of the respondents are neutral on this point. When the same factor is assessed in comparison to peers in another bank, a clear majority of 65.5% feel that they are not treated fairly while only 19.3% are positive about fairness.

The same could said to benefits as 58.6% of the participants response fall in a positive category while those disagree and neutral are 22% and 19.5% respectively. When the same factor is check with the other in banking industry, 34.7%, 43.8% and 21.6% of the respondents affirm agreement, disagreement and neutrality respectively in the order of appearance. This indicates that there is a strong perception that NIB is a less pair both for salary and benefit as compared to the banking industry.

4.5. Intention to Leave and Related Issues

About five direct questions have been posed to the respondents to assess their level of intention to leave. The following graph show that more than half (55.6%) of the respondents often consider leaving their job. Only 21.6% do not consider this option while 21.8% are neutral on this subject.

Figure 2 Consideration of leaving job



If the respondents are often times consider leaving their job, it has to be shown in some action. Accordingly they were asked if they are scanning newspapers frequently in search of alternative job opportunities. Consistent with the above question 55.1% responded confirm that they often do that. The following table shows the details.

Table 4.7 Scanning Newspaper and Think about Starting Own Business

	Often scan Newspaper for alternative jobs		Often think about starting own business	
Rating	Frequency	Percent	Frequency	Percent
Strongly agree	39	15.9	74	29.7
Agree	96	39.2	85	34.1
Neutral	60	24.5	51	20.5
Disagree	38	15.5	33	13.3
Strongly disagree	12	4.9	6	2.4

As it is shown in the above table there is a strong feeling about starting own business by the respondents, 63.8% of which fall in this category. The above indicate that there exist a strong feeling about changing job either through alternative jobs or establishing own business.

As a follow up to this an attempt was made to determine how soon respondents are intending to leave NIB. Hence, they were asked if they are leaving NIB in a short period ow time. The following table summarizes the response.

Table 4.8 Intention to Leave in a Short Period

Rating	Frequency	Percent
Strongly agree	40	16.3
Agree	60	24.5
Neutral	65	26.5
Disagree	58	23.7
Strongly disagree	22	9.0

As can be seen from the above table 40.8% of the respondents are feeling strongly about leaving their job shortly. It is assumed that these are in the process of landing to a new job or change of career. The other interesting and more relevant information to this study is if respondent are intending leaving NIB within one year. The result is summarized below in table 4.9.

Table 4.9 Intention to Leave in a Year

Rating	Frequency	Percent
Strongly agree	43	17.8
Agree	80	33.1
Neutral	55	22.7
Disagree	46	19.0
Strongly disagree	18	7.4

It is clear that more than half of (50.9%) of the respondents are intending to leave NIB in a year time, while only 26.4% are likely to stay taking into account that it will be difficult to assume where the 22.7% neutral will fall in.

A t-test is conducted to check if there is difference in rating between genders on the above factors. Before the t-test is conducted the conditions for such test has been checked. Taking into account the sample size it is assumed that the sample means is normal. A t–test is preferred as there is only one dependent and one independent variable with only two grouping.

Table 4.10 t-test on gender

Group Statistics

Gender		N	Mean	Std. Deviation	Std. Error Mean
intention	Male	127	12.5827	4.40318	.39072
	Female	118	12.6186	3.97195	.36565

Independent sample test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference	
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Intention SUM of five questions	2.109	.148	-.067	243	.947	-.03597	.53716	-1.09404	1.02211
			-.067	242.793	.946	-.03597	.53513	-1.09005	1.01811

As the above figures of the t-test indicate the significance level is greater than 0.05 which means there is no statistically significant difference between the two genders which implies the level of intention to leave NIB is similar for both female and male.

To check if intention is different among other factors such as age, service year and job position one way ANOVA is used which is selected due to the existence of single dependent and independent variables while there is more than two grouping of the independent variable. The result is presented below. Analysis of intention on the basis of age shows the following.

Table 4.11 Intention to leave based on age- ANOVA

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	188.957	3	62.986	3.704	.012
Within Groups	3775.538	222	17.007		
Total	3964.496	225			

As indicted in the above table that the significance level is 0.012 which is below 0.05 and there is statistically significant difference between the groups as determined one way ANOVA (F(3, 222)=3.704, p=0.012 in the mean of intention between age group.

Table 4.12 Intention to leave based on age- multiple comparison

Multiple Comparisons

(I) Age Group	(J) Age Group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
21 to 30	31 to 40	-1.07956	.63066	.320	-2.7121	.5530
	41 to 50	-1.21399	1.11925	.699	-4.1113	1.6833
	above 50	-4.72827*	1.59640	.018	-8.8607	-.5958
31 to 40	21 to 30	1.07956	.63066	.320	-.5530	2.7121
	41 to 50	-.13443	1.18853	.999	-3.2110	2.9422
	above 50	-3.64871	1.64571	.122	-7.9088	.6114
41 to 50	21 to 30	1.21399	1.11925	.699	-1.6833	4.1113
	31 to 40	.13443	1.18853	.999	-2.9422	3.2110
	above 50	-3.51429	1.88769	.248	-8.4007	1.3722
above 50	21 to 30	4.72827*	1.59640	.018	.5958	8.8607
	31 to 40	3.64871	1.64571	.122	-.6114	7.9088
	41 to 50	3.51429	1.88769	.248	-1.3722	8.4007

*. The mean difference is significant at the 0.05 level.

The table above, multiple comparison, shows that the groups differ from each other. A Tukey post hoc test revealed that the intention to leave was statistically significant between groups of age 21-30 and those above 50. When compare the group mean it shows that age group 21-30 have lower score (11.98) which indicates higher intention to leave than those age group above 50 who have higher group mean (16.7). The difference is strongly significant for the age 50 and above as compared to the age 21-30 that could be due to the age group 50 are less likely to change career in comparison to the other age group.

The same comparison on job position reveals the following:

Table 4.13 Intention to leave based on job position

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	62.121	2	31.060	1.782	.171
Within Groups	4061.112	233	17.430		
Total	4123.233	235			

Since the significance level is 0.171 which is higher than 0.05 we observe that there is no statistically significant difference between group mean to intention and job position.

When it comes to intention on the basis of service year the following is observed though one way ANOVA analysis:

Table 4.14 Intention to leave based on service year- **ANOVA**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	127.439	2	63.719	3.695	.026
Within Groups	3966.424	230	17.245		
Total	4093.863	232			

As depicted in the above table, there is statistically significant difference between the group mean of intention related to service year with the significance level is 0.026 which is below 0.05 and the one way ANOVA (F(2, 230)=3.695, p=0.026 in the mean of intention between service year group.

Table 4.15 Intention to leave based on service year **Multiple Comparisons**

(I) Service Group	(J) Service Group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
0 to 3	3.1 to 5	.37962	.74520	.867	-1.3783	2.1375
	above 5	-1.30286	.62784	.097	-2.7839	.1782
3.1 to 5	0 to 3	-.37962	.74520	.867	-2.1375	1.3783
	above 5	-1.68248*	.69973	.045	-3.3331	-.0318
above 5	0 to 3	1.30286	.62784	.097	-.1782	2.7839
	3.1 to 5	1.68248*	.69973	.045	.0318	3.3331

*. The mean difference is significant at the 0.05 level.

The table above, multiple comparison, shows that the groups differ from each other. A Tukey post hoc test revealed that the intention to leave was statistically significant between groups of service year 3-5 and those above 5 years. When compare the group mean it shows that service year group 3-5 have lower score (11.66) which indicates higher intention to leave than those service year group above 5 years who have higher group mean (13.34). The mean difference in the intention to leave is strongly significant between the service group 3-5 years and those who have served more than five years.

4.6. Level of Satisfaction of Employees on Different Factors

The assessment of satisfaction level of employees on same factors, the following results have been observed. The following table summarizes the results.

Table 4.16 Employees level of satisfaction

Rating of satisfaction with	Very satisfied		Moderately satisfied		Not sure		Moderately dissatisfied		Very dissatisfied	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Immediate supervisor	69	28.5	108	44.6	33	13.2	20	8.3	12	4.8
Rate of pay	13	5.3	99	40.6	44	18	56	23	32	13.1
Opportunity to use your abilities	45	18.6	95	39.3	55	22.7	32	13.2	15	6.2
Chance of promotion	18	7.3	76	31	69	28.2	47	19.2	35	14.3
Level of training provided	38	15.2	101	40.7	47	19	37	14.9	25	10.1
Personal development opportunities	30	12.5	97	40.4	56	23.3	38	15.8	19	7.9

The above table shows that the respondents' satisfaction level in terms of their immediate supervisor is 28.5% high while 44.6% is moderate. By the same measurement only 4.8% and 8.3% declared that they are highly dissatisfied and moderately dissatisfied respectively. The highest level of satisfaction among the above six element is observed with the immediate supervisor (28.5%) while the lowest is on the chance of promotion (14.3%) followed by rate of pay (13.2%). If we put together the results of very satisfied and moderately satisfied we can see that the lowest rate comes for the chance promotion and rate of pay that is 38.3% and 45.9% respectively.

4.7. Possible Reasons to Leave

Respondents were asked to respond to the possible reasons that could motivate them to leave NIB. The following table summarizes the results of four factors which could persuade them.

Table 4.17 Factors that employees take into account to change their job

Reason for leaving if there	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	Freq.	%	Freq.	%	Freq.	%				
Better salary	110	45.5	86	35.5	23	9.5	17	7	6	2.5
Better benefits	104	44.3	85	36.2	25	10.6	15	6.4	6	2.6
Title change only	51	22.7	60	26.7	48	21.3	52	23.1	14	6.2
A position change (no promotion)	42	19.2	46	21	43	19.6	67	3.6	21	9.6

As can be noted from the above table salary and benefit are very important items for the respondents where 45.5% and 44.3% of them strongly agree respectively followed by an agreement of respondents of 35.5% and 36.2% for the same issues. When we combine the two favorable responses together a clear majority of 81% of the respondents intend to leave for a better salary and benefit. It also worth noting that about 49.4% of the participants of the study show their agreement in leaving for a job title only. About 40.2% also indicate that they will change their job for position change only with no financial reward attached to it. From the above we can safely say that there a clear room for improvement in the areas of salary and benefits to enable NIB change the mind of its employees.

We need also to see if the above argument differs with different factors such; age, gender, service year and job position. To determine this a one way ANOVA is carried out. The result of this analysis is present below.

The analysis on gender is as below

Table 4.18 Reasons to leave based on gender **ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	40.722	1	40.722	2.649	.105
Within Groups	3704.447	241	15.371		
Total	3745.169	242			

Since the significance level is 0.105 which is higher than 0.05 we observe that there is no statistically significant difference between group mean to reason to leave and gender.

The same exercise for age group shows the following:

Table 4.19 Reasons to leave based on age **ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	200.847	3	66.949	4.630	.004
Within Groups	3181.367	220	14.461		
Total	3382.214	223			

The significance level is 0.004 which is below 0.05 and there is statistically significant difference between the groups as determined one way ANOVA ($F(3, 220)=4.630$, $p=0.004$ in the mean of intention between age group.

Table 4.20 Reasons to leave based on age **Multiple Comparisons**

(I) Age Group	(J) Age Group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
21 to 30	31 to 40	-.89101	.58011	.418	-2.3928	.6108
	41 to 50	-1.37381	1.03312	.545	-4.0483	1.3007
	above 50	-5.05000*	1.47279	.004	-8.8627	-1.2373
31 to 40	21 to 30	.89101	.58011	.418	-.6108	2.3928
	41 to 50	-.48280	1.09421	.971	-3.3155	2.3499
	above 50	-4.15899*	1.51627	.033	-8.0843	-.2337
41 to 50	21 to 30	1.37381	1.03312	.545	-1.3007	4.0483
	31 to 40	.48280	1.09421	.971	-2.3499	3.3155
	above 50	-3.67619	1.74065	.152	-8.1823	.8300

	21 to 30	5.05000*	1.47279	.004	1.2373	8.8627
above 50	31 to 40	4.15899*	1.51627	.033	.2337	8.0843
	41 to 50	3.67619	1.74065	.152	-.8300	8.1823

*. The mean difference is significant at the 0.05 level.

The table above, multiple comparison, shows that the groups differ from each other. A Tukey post hoc test revealed that the reason to leave was statistically significant between groups of age 21-30 and those above 50. When compare the group mean it shows that age group 21-30 have lower score (8.09) which indicates that their reason to leave highly differs than those age group above 50 who have higher group mean (13.14). There is a strongly significant difference in the mean for those age 50 and above compared to those at 21-30 age bracket.

In terms of job position the following is the one way ANOVA result:

Table 4.21 Reasons to leave based on job position **ANOVA**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	260.344	2	130.172	8.918	.000
Within Groups	3357.115	230	14.596		
Total	3617.459	232			

As depicted in the above table, there is statistically significant difference between the group mean of reason related to job position with the significance level is 0.000 which is below 0.05 and the one way ANOVA (F(2, 230)=8.918, p=0.000 in the mean of reason to leave between job position group.

Table 4.22 Reasons to leave based on job position **Multiple Comparisons**

(I) 6. Job category	(J) 6. Job category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Branch management team	Officer	1.78165*	.62712	.014	.3023	3.2610
	Clerk	3.65240*	.87677	.000	1.5841	5.7207
Officer	Branch management team	-1.78165*	.62712	.014	-3.2610	-.3023
	Clerk	1.87076*	.75249	.036	.0956	3.6459
Clerk	Branch management team	-3.65240*	.87677	.000	-5.7207	-1.5841
	Officer	-1.87076*	.75249	.036	-3.6459	-.0956

*. The mean difference is significant at the 0.05 level.

The table above, multiple comparison, shows that the groups differ from each other. A Tukey post hoc test revealed that the reason to leave was statistically significant between group job position branch management, officer and clerk. When compare the group mean it shows that job position of clerk have lower score (6.61) which indicates that their reason to leave highly differs than those in officer position and branch management group who have higher group mean (8.48) and (10.26) respectively. It is observed that there is a strongly significant difference between the means of branch management team which shows that the reasons will be different as one goes up on the ladder of job hierarchy.

When it comes to reason to leave on the basis of service year the following is observed though one way ANOVA analysis:

Table 4.23 Reasons to leave based on service year **ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	85.205	2	42.603	2.788	.064
Within Groups	3468.886	227	15.281		
Total	3554.091	229			

As depicted in the above table, there is no statistically significant difference between the group mean of reason to leave related to service year as the significance level is 0.064 which is higher than 0.05.

The participants of this study clearly indicated the factors that could possibly affect their decision of staying in NIB or take the other alternative of leaving. If that is the case where do they want to go? An assessment was carried out if they will stay in the banking industry or otherwise. Accordingly, 64.7% of the respondents confirm that they will join another bank while 35.3% said they will not stay in the banking industry if they leave NIB.

If they prefer to stay in the banking industry it is essential to check their likely destination. The following table depicts the summary of their responses.

Table 4.24 Factors that employees take into account to change their job

Bank	Frequency	Percent
Abysinnia	52	32.7
United	30	18.9
Zemen	29	18.2

Birhan	22	13.8
Dashen	10	6.3
Awash	6	3.8
CBE	6	3.8
Enat	2	1.3
Wegagen	1	.6
Lion	1	.6

As clearly shown in the above table the first preference of the respondents is Abyssina Bank where 32.7% declare that followed by United and Zemen banks with a score of 18.9% and 18.2% respectively. On the other hand, another assessment was made to check the opinion of survey participants about leaving NIB if a foreign bank enters the banking sector. The result show very close to the above (64.7%) where only a marginal increase is observed 67.5% say they will leave NIB for a foreign bank. This indicates that there is a strong feeling to stay in the banking sector. Only less than 3% of those who want to leave the banking sector changed their opinion due to the coming of a foreign bank.

4.8. Reliability Analysis

The test of reliability, Cronbach Alpha analysis is carried out and the result is shown below:

Table 4-25 Reliability Statistics

Cronbach's Alpha	N of Items
.826	49

As shown in the table the Cronbach alpha value is 0.826 which reasonably high that ascertains the acceptability of the study.

4.9. Summary of the Interview and Meeting with the Management Members

The most important element of the discussion is that the NIB management recognizes that staff turnover is an important issue that they need to address. In their annual Human Resources plan they have set a target to reduce staff turnover to 3% from the current 10%. They have introduced various benefit scheme to retain their key personnel. Among these benefits, the introduction of different types of loan such housing and vehicle, has helped to motivate their employees. They have also instituted exit interview to assess the reasons for leaving. However, the exit interview conducted so far, they claim, did not generate reliable information that help shape their policies. They confirmed that due to that they were unable to pinpoint the exact causes of staff turnover

In terms of completion for labor, the management believes that the first generation banks (those that are in operation for more than 10 years) such as Dashen, Awash, United, Wegagen and Abyisnnia. In terms of salary and benefit survey, they have confirmed that so far they have not done a systematic comprehensive survey.

When it comes to administering the HR policies and procedures they believe that it is applied in a consistent and transparent manner and they are also working to empower branch managers by training them and building their capacity in human resources administration.

Chapter 5 Summary, Findings and Recommendation

The main purpose of this exercise is to assess the level of employees' intention to leave Nib International Bank SC. On the basis of the analysis presented in the previous chapter the following concluding remarks and recommendations are presented.

5.1. Summary

There is a reasonable level of understanding on the conducive work environment in NIB. The existing HR policies and procedures are accepted to be clear by about the majority though their consistent application has more to improve. The intention of employees to leave NIB is high and factors contributing to that are many. Details of the findings will be given below.

5.2. Findings

- There is a majority consensus on the existence and clarity of HR policies and procedures. However, its consistent application needs more work to change the opinion of most if not all employees.
- Job satisfaction is one of the most positive element that NIB is rated high including withstanding work pressure. There is a low level of satisfaction in terms of varied nature of the job which understandable from the point of the banking industry.
- The existence of promotion opportunities is positively recognized, however, it fairness in application needs improvement.
- Communication and empathy of supervisors with their employees has also received a positive rating by good percentage of the majority.
- Though there is a favorable rating of fairness in the level of salary and benefits between colleagues in the bank, there is a strong perception that NIB is less payer both for salary and benefits compared to the banking industry.
- There is a strong level of intention to leave NIB in a very short period which could show that they in the process of landing to a new job or career change.
- There is also a strong level of intention to leave in a year time which is also demonstrated by employees focus in scanning newspapers for vacancy.
- Employees' intention to start their own business is also very strong which can be attribute to external factor.

- The level of employees' intention to leave does not differ between gender, age, job position and years of service as it is not statistically supported though the magnitude differs between groups in some instances.
- There is an acceptable level of satisfaction on many of the factors that affect employees such as; relationship with supervisor, opportunity to use abilities, level of training provided and personal development opportunities.
- There is a low level of satisfaction concerning rate of pay and chance and fairness of promotion.
- There are four major factors that heavily contribute to the strong intention to leave. These are; salary, benefits, position change and title change.
- Majority of those who have strong intention to leave NIB would like to stay in the banking industry including if a foreign bank enters.
- The most preferred bank to work with are Abysinnia followed by United and Zemen

5.3. Recommendations

In light of the above findings the following are recommended.

- NIB should ensure that the existing HR polices are distributed to all employees regardless of their position. They should also strive to implement them in a consistent manner to get a buy in from all employees. It is also advisable to conduct a working climate survey in a regular interval.
- NIB needs to institute a fair and transparent promotion policy and ensure its consistent application.
- The factors that are contributing to the intention to leave are mostly internal. NIB should conduct a comprehensive salary and benefit survey to position itself among the best employers in the industry. It is also advisable to make bank of Abysinnia one of the benchmarks to conduct the study.
- Change of position matters for employees. NIB should design and implement a job rotation strategy to address this issue.

- Job title has been identified as one of the factors that influence employees' decision to leave. An opinion survey within the NIB and a title survey with the industry is recommended to tackle this.
- It is also advisable to install appropriate human resources development (HRD) system to better manage the human resource activities.
- Assigning qualified HR professionals in human resources components such compensations benefits is highly advisable.

The intention of employees to stay in the banking industry is a positive news for NIB. By working on some or all of the factors that are identified as a possible causes of turnover and intention, it can persuade its employees to stay longer period and hence reduce the high employee turnover that it has now. The existence of intention does not automatically guarantees the actual execution. As stated by Ajzen, intentions change over time or with the emergence of new information (Ajzen 1991, p 19). In this case new information could be associated with the corrective steps that NIB takes and the timely dissemination of this information to all employees.

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Annex I

Addis Ababa University
School of Business and Economics
Executive MBA Program

This is a questionnaire designed to collect data on the causes of employees' turnover intention which will be used as an input for a thesis in partial fulfillment of Executive MBA. Your genuine response is highly required as it is solely used for academic purpose and will be strictly confidential. Therefore, your kind cooperation is appreciated in advance.

If you have any question about this questionnaire, you can contact: Esayas Yeyesuswork +251911207042 /+251911502091

Part I: Personal Detail

1. Gender Male Female
2. Age 21-30 years old 31-40 years' old 41-50 years' old > 51 years' old
3. Marital Status Married Not married Divorced Widow
4. Education level Diploma/level III/IV Bachelor Masters and above
5. Years of service < 3 years 3 to 5 years >5 years
6. Job Category Branch management team Officer Clerk

Part II: Turnover Intention related issues Please put (√) in the place where the choice is appropriate for you.

No.		***Strongly agree***	***Agree***	***Neither agree nor disagree***	***Disagree***	***Strongly disagree***
7	HR polices are very clear and easy to understand					
8	I feel that application of HR polices are fair and consistent					
9	I am provided a copy of the HR policy					
10	I well aware of how the HR policy affects me					

No.		*Strongly agree*	*Agree*	*Neither agree nor disagree*	*Disagree*	*Strongly disagree*
11	The existing HR policies and procedures address all my concerns related to my employment conditions					
12	HR procedure are clear and are applied consistently					
13	Regarding salary, I feel that I am treated fairly compared with colleagues in my organization who have similar qualifications and who have served a similar number of years					
14	Regarding salary, I feel that I am treated fairly compared with others with similar position in the banking industry					
15	Regarding fringe benefits, I feel that I am treated fairly compared with colleagues in my organization who have similar qualifications and who have served a similar number of years					
16	Regarding fringe benefits, I feel that I am treated fairly compared with others with similar position in the banking industry					
17	I always look forward to coming to work					
18	I am able to tolerate the pressure of my work					
19	My work is varied and is not routine					
20	My job gives me the opportunity to work independently					

21	My supervisor always consults coworkers when deciding which may affect works.					
22	My supervisor shows consideration for subordinates' feelings					
23	Communication between me and my immediate supervisor is good					
24	There is enough opportunities for advancement on this job					
25	Regarding promotion, I feel that I am treated fairly compared with colleagues in my organization who have similar qualifications and who have served a similar number of years					
26	I feel that there is a better promotion opportunity in other banks.					
27	Often times I consider leaving my job					
28	I scan more frequently newspapers in search of alternative job opportunities					
29	My personal values at work have never been compromised					
30	I often think about starting my own business					
31	I intend to leave this company within a short period of time					
32	I will probably look for a new job in the next year (< 1 year)					
		Very satisfied	***Moderately satisfied***	***Not sure***	***Moderately dissatisfied***	***Very dissatisfied***
Ho w satisfied or dissatisfied are you?						
33	With your immediate supervisor					
34	With your rate of pay					
35	With your opportunity to use your abilities					

36	With your chance of promotion					
37	With the level of training provided					
38	With personal development opportunities					
39	Mostly I am emotionally agitated when arriving home after work					
40	My current job has no negative effect on my personal wellbeing					

No.		***Strongly agree***	***Agree***	***Neither agree nor disagree***	***Disagree***	***Strongly disagree***
41	I will leave my current employer if I get, - a better salary					
	- better benefits					
	- title change only					
	- a position change (no promotion)					

42. If I leave this company, I will join another bank Yes No

43. If your answer for question 42 is yes, which bank is your preference?

Awash	Abysinnia	Abay	Buna
United	Dashen	CBE	Oromia International
Oromia Cooperative	Birhan	Addis International	Enat
Wegagen	Zemen	Debub Global	Lion
Development Bank of Ethiopia			

If your answer for question 42 is yes, please answer why ________________________________

44. If you intend to leave NIB, what aspects of your job make you want to leave your employment at NIB?

____
____
____
____
____

45. What do you think NIB should do to retain you? Please specify.

____
____
____
____
____

46. I will leave my current employer if a Foreign Bank is opened in Ethiopia Yes No

47. I feel that a Foreign Bank (s) will provide me with opportunities for advancement in terms of:

Learning and development
Better pay (salary and benefits)
Promotion
Better working system
Better working environment
More challenge
Any other, specify ____________________