DETERMINANTS OF TURNOVER IN TERMS OF INTENTION TO LEAVE:

THE CASE OF NIB INTERNATIONAL BANK S.C

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS OF ARTS DEGREE IN HUMAN RESOURCE MANAGEMENT

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DECLARATION

I, Tewfik Abdella, declare that this thesis entitled Determinants of Turnover In Terms Of Intention to Leave: 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.

_____

Signature

CERTIFICATION

I, the undersigned certify that Ato Tewfik Abdella has conducted his thesis research entitles: "Determinants of Employee Turnover in terms of intention to leave 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.

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ABBREVIATIONS

HRM	Human Resources Management
HR	Human Resource
NIB	Nib International Bank
SPSS	Statistical Package for Social Science

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ABSTRACT

The aim to conduct this thesis was due to the increase rate of employees' turnover in private banks in the country. The objective of the study is to investigate Determinants of Turnover In Terms Of Intention to Leave in the Case of Nib International Bank S.C.

In order to achieve this objective, the study employed both primary and secondary data sources. The primary data were collected by using questionnaires which were distributed among sample size of 318 out of 2240 staff working in eight selected branches and head quarter. The sample of study and data was analyzed by "Statistical Package for Social Science" (SPSS Window) Version 20.0. The tests involved are ANOVA, Pearson Correlation Coefficient and Multiple Regression. Using cronbach's alpha coefficient, reliability was calculated to be 0.93. The validity was specified by calculating content validity and internal validity. Sample size was also determined all employees of randomly selected branches and was calculated by Yamane Taro (1967) formula.

The data were analyzed and the findings indicate that, managerial controllable factors such as salary & benefit, poor supervisor support, lack of promotion and recognition, have negative impact on employee satisfaction and commitment also these results contribute in employee turnover in private sector banks.

The general implication drawn from the findings is that, there is no formal retention strategy at the bank. This calls for the new initiative by the bank to come up with good retention strategy and redesign HRM policies that will achieve positive behavioral, performance and financial outcomes.

Key words: intention to turnover, determinant factors

CHAPTER ONE

INTRODUCTION

1.1. Background to the Study

The pace of globalization is increasing continuously in terms of markets for goods and services, investment opportunities across borders amongst others. Enterprises face competition from all fronts. Human resource management is not left out in this transformation crusade as it has obligation to move along with the changing demands of the globalization process. (Anyim et.al, 2011). Employee turnover is one of the challenges that faced the work organization and have impact in the performance of those organizations. The concept of Employee Turnover represents one of the themes in the analysis of the world of work among scholars in the field of management, organization behavior, and human psychology. It refers to when an individual entered a company, the interaction between the companies and the individual was supposed to increase. If the interaction could not increase to an appropriate extent, the individual's past experience would turn to be so-called Guiding Crisis and the individual would leave eventually. Accordingly, turnover intention is a significant factor in predicting turnover. Turnover intention means the strength of intention an individual has to leave his present job and look for another job opportunity. Many studies show that employee turnover intention has strong relation to organizations. (Chang, 2009).

In banking loosing employee means losing current and perspective clients and ultimately business. (Jaffari et.al A. J.-u.-R., 2011). There are a number of reasons for employees leaving the organization. Well, the most obvious reason for employees leaving any organization is higher pay. The main problem is that employees are moved from one location to another location along with their family. But this problem is taken care of by a salary hike which may be around 20%-35% per annum. Work timings: In some organizations, work timings are such that they are making employees leave the organization. Career growth: In many organizations, only 20% of employees are able to go to senior levels. This means that the remaining 80% of employees look for other organization where they can get opportunities for growth. One more reason for leaving the organization is higher education. These days, in many organizations,

employees are joining at very young age because of lucrative salaries being offered. But with time, they apply for higher education and try to move on to other organizations or sectors to occupy top management positions. Other factors include accident making the worker permanently incapable of doing work, dislike for the job or place, unsatisfactory work conditions leading to strained work relationships with the employer; lack of security of employment also contribute for higher attrition rate. Thus we can say, employees leave organizations for a range of reason. As cited by (Gangai K., 2013) a Fortune magazine survey some years ago found that nearly 75 per cent of employees have suffered at the hands of difficult superiors. Most employees leave their work for reasons other than money - and any organization can correct these reasons. Most leaving employees seek opportunities that allow them to use and develop their skills. Leaving employees want more meaning in their work. They often indicate that they want to use their qualities and skills in challenging teamwork led by capable leaders. (Gangai K., 2013)

Research has shown that job satisfaction and organizational commitment are key variables that influence employees' turnover intention, that is, an individual's intent to leave an organization (Martin & Roodt, 2008); (Mokoka, 2007); (Price & Mueller, 1981). Moreover, people's need for career development opportunities is associated with their need for career mobility. Organizational career development opportunities have been identified as a retention factor, simply because employees want to experience career growth (Sutherland & Jordaan, 2004).Job satisfaction is a result of an individual's perception and evaluation of their job influenced by their own unique needs, values and expectations, which they regard as being important to them (Sempane et.al, 2002).

Research has indicated that job satisfaction does not come about in isolation, as it is dependent on organizational variables such as structure, size, pay, working conditions and leadership, which represent the organizational climate. However, if job satisfaction is absent and other work opportunities present themselves, turnover could well increase (Martins & Coetzee, 2007). Existing studies and researches tends to revolve around the question of "what are the factors affecting employee turnover key variables hold in terms of relationship towards employee turnover. Nevertheless, rarely find an article which describes relative significant effect of each

independent variable over employee turnover. Perhaps this study will help to identify relative significant effect of factors affecting employee turnover or to reduce the gap.

1.1.1. Employee Turnover in Ethiopia

Like many other developing countries Ethiopia need well skilled and qualified human resources that will help the country to reach the goal of improving its economic. But regardless of that need the country experiencing employee turnover problem although no formal research has been done to determine the exact rate of turnover in the country from both private and public sector.

Nib International Bank which is the target for this study is a privately owned company established in 1999 in accordance with the licensing and supervision of banking business proclamation No. 84/1994 of Ethiopia to undertake commercial banking. The bank in its personnel manual point out that it considers its staff as its valuable asset and devotes considerable resources towards ensuring their well being and strives to attract, retain and develop human resources of the highest quality. But there is problem in the bank in recent years on the employee turnover; there are generally more frequent flows of human resources. Therefore, this research is for the management of the bank to find out the factors and to identify relative effect on turnover. This chapter provides the background information to the Statement of the problem, Objective of the study, Significance of the study, Study questions, Limitations and Scope of study and Definition of key terms. (Nib Annual report 2009)

The study tries to identify problems arising like pay, promotion, the work itself and supervision which lead to dissatisfaction among personnel in Nib bank and possible high turnover. Therefore, to reduce the turnover intention of employees, the organization must find the factors that caused the turnover intention and affect the job satisfaction of workers.

1.2. Statement of the Problem

In a competitive business scenario, organization growth is constraints in employ and retaining the valued workforce. High turnover rate is problematic and have a negative impact on an organization’s performance. In private sector organization the Department of Human Resource Management has become a focal point for organization performance. It is in this department

where by planning, recruitment, motivation, compensation and training need assessment is done. This department is responsible for recruiting proper personnel with relevant qualifications to fit the job. This has helped NIB to recruit right people as this qualified staffs are needed for effective and efficient quality of service delivery. Apart from this NIB has found difficulties in retaining labor force in the professional posts/vacancies as required (NIB Annual Report 2009). Most of the vacancies boost as a result of a labor turnover and demand for new labor force in relation to the need at that time, or making replacement for those who have retired, dismissed, transferred or resigned. According to NIB bank Senior Human Resource Manager, Fasil turnover among personnel is substantially high. This is due to some reasons like pay, other job alternatives, bad working condition, contract expiry to name a few. Therefore, paying employees' well for example, may motivate them to stay with the organization longer. The intense competition in bank industries resulted salaries for staff for being over-inflated to entice staff to leave the bank and join other banks. He added, career growth is also common among workers due to rapid competition in the industry. Professionals nowadays are more prone for better salary, benefit and satisfaction. In addition, turnover also escalates approximately 20-30 percent completion period. As he mentioned in year 2013/14 the number of new entrant are 295 and employees who leaves the bank are 221 employees and during this year 2014/15 number of new entrant are 426 and employees who leaves the bank are 192 employees until march 2015. Therefore, company has tough time to prevent employees from leaving, but so far no Staffs audit reports has been made to show how many new employee forces have been recruited and how many have left within a certain period of time. What is crystal clear is the number of labor capital leaving but to what percentage voluntary or involuntary turnover is not yet known. Perhaps this study attempted to study the key factors responsible for employee turnover in the bank.

Therefore, this study aims at investigating and finding solutions to the question "why is the employee turnover rate at the increase" given all the measures and efforts the bank has taken to address the problem? This is because many studies was conducted as will be shown in the literature review but still there is a research gap in the developing countries especially in Ethiopia official study in this aspect. Perhaps based on the company's problem with employee

turnover, the researcher decided that a study on causes of employee turnover is an appropriate way to get one step closer to a solution and dedicated his MA thesis to this matter.

1.3. Research Questions

The following research questions are designed to undertake study:

1. What is the status and trend of turnover?
2. What are the causes for the high employee turnover in the bank?
3. Do demographic factors (age and tenure groups) have relationship with turnover intention?

1.4. Research Objective

1.4.1. General Objective

The aim of the study is to investigate the factors affecting employee turnover in private banks specifically in the Nib International Bank.

1.4.2. Specific objectives

1. To investigate the status and trend of turnover
2. To investigate the causes for high employee turnover in the bank.
3. To identify the difference in the demography factors (age and tenure groups) to the turnover intention among the skilled personnel.

1.5. Scope & Limitation of the study

The limitations that practiced in course of carrying out the study are getting the difficulty to conduct successful outcome due to researcher experience on research and respondents busy work schedules.

The researcher faced a time constraints since this is an academic paper and needs to be completed according to the academic calendar, hence it was a short period of time for making the whole research report compiled, reviewed and analyzed thoroughly.

The researcher could be willing to cover more than one private bank; however it would not be possible due to financial constraints or time constraints.

1.6. Significance of the study

The findings from the study were significant for Academicians, the sector and NIB(the bank). For academicians the study results will contribute to the body of knowledge for better understanding of the specific factors associated with employee turnover in private sector organizations. This knowledge also shall be useful tool for further researches in turnover in other places.

For the sector the findings will help the sector to formulate its motivational policies and come up with effective retention strategies. These efforts will build a good image of the sector, hence convince skilled, competent and professionals to apply work in the sector.

In completion of this thesis report the researcher is expected to be awarded with a Masters in HRM of the University.

1.7. Organization of the thesis

This thesis was comprised five chapters. This chapter covers the background of the study, the statement of the problem, the main objective, the specific objective, research questions, scope and the significance of the study and continued in the four chapters that follow.

Chapter two was presented an analysis of the related literature. The analysis covers three areas: 1) theoretical review; 2) analysis and synthesis of previous researches and works; 3) develop of researchers conceptual framework This chapter revealed a gap in the literature pertaining to causes of employee turnover in the bank. The chapter was concluded with a summary of the analysis of relevant literature that provides a rationale and a focus for the current study.

The research design and methods for the current study explained in Chapter three. The chapter was commenced by justifying the choice of descriptive research design. Following this, the chapter was offer a detailed description of the research sample, data collection techniques and approach to data analysis. Strategies for dealing with ethical issues in the study were also discussed.

Chapter Four was presented the findings of the questionnaires and interviews with managers and employees. Analyze and interpret the findings in the context of previous research and was show the relationship of the current work to that of other prior work.

In the final chapter the researcher was draw conclusions about the research objectives, based on the research findings. This chapter also was presented the implications of the findings for the bank practitioners and made suggestions for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

The purpose of this literature review is to present the real meaning of information concerning to turnover intentions; it highlights different theories and conceptual models derived from reviewed literatures which are relevant to this study and their implications to the study. It shall as well show various empirical studies conducted on turnover at different places and time and, then the gaps shall be identified as well as the researcher try to obtain a better understanding of the concept of employee turnover.

As a starting point, we considered common definitions of employee turnover and different terminologies:

Employee Turnover is the ratio of the number of workers that had to be replaced in a given time period to the average number of workers. In simpler terms, employee turnover is the series of actions that it takes from the employee leaving to his or her being replaced (Samuel et.al, 2012)

Intention to Turnover: conceptualized intention to turnover as the employees' inner thoughts about leaving their current assignment possibly as a result of potential negative feelings regarding the job, organization, or current work environment. intention to turnover as individuals' own estimated probability that they are constantly leaving the organization at some point in the near forthcoming. Intention to turnover was defined as "an employee's subjective probability that He/she is permanently leaving the employer in the near future and captured the last in a series of withdrawal cognitions that also included thoughts about quitting and the search for alternative employment" (Tastan, 2014)

Human resource management (HRM) is the process of employing people, training them, compensating them, developing policies relating to them, and developing strategies to retain them. As a field, HRM has undergone many changes over the last twenty years, giving it an

even more important role in today's organizations. In the past, HRM meant processing payroll, sending birthday gifts to employees, arranging company outings, and making sure forms were filled out correctly—in other words, more of an administrative role rather than a strategic role crucial to the success of the organization. (www.saylor.org/books)

Further turnover can be typically broken down into the following categories:

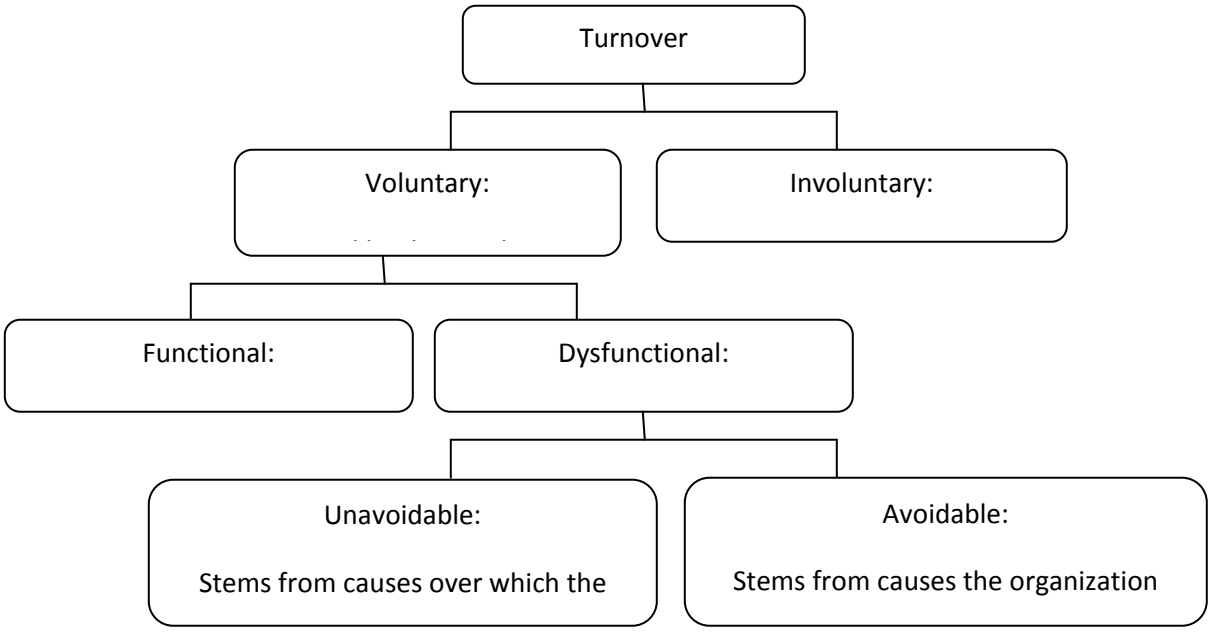


Figure 1Categories of turnover by Source: (David G. Allen)

A recent overview relevant research yielded the following conclusions: The three major ways that employees leave the organization are through reductions in force (initiated by the employer), turnover (initiated by either the employer or employee), or retirement, organization should have strategies for managing each form of separation. Reductions in force or employee layoffs are attempts by employees to reconfigure their work forces. Layoffs are becoming increasingly common in nearly all industries and are often caused by organizational restructuring following merger or acquisition activity. (Jeffrey, 2006)

According to Michael, secretary for the Civil Service of Hong Kong, Turnover refers to retirement, resignation and redundancy. While a department cannot plan turnover because there are factors, such as resignation, which are beyond its control, it can monitor turnover carefully

to ensure the department will have minimal difficulties in retaining staff. If such difficulties are envisaged or experienced, the department will find out the causes for them and take early steps to address them by improving, for example, motivation or training and development opportunities. (Michael, 1995)

Retirement: employee also leaves the organization through retirement. When older workers retire, the organization can hire new employees to replace older workers who may have less physical or mental energy or skills that have become outdated or obsolete. (Jeffrey, 2006)

Turnover employees who leave the organization at the organizations request (involuntary turnover as well as those who leave on their own initiative (voluntary turnover) can cause disruptions in operations, work team dynamics, and unit performance. Both types of turnover create costs for the organization. In some cases, these costs may be significant and longer lasting. Costs of turnover include the direct economic costs of staffing and Training New hires as well as the indirect costs of the downtime needed for the new employee to gain proficiency in his or her job and to become fully socialized and integrated into the organization. Excessive turnover can also impact the morale of employees and the organization's reputation as being a good place to work, which makes retention and recruitment more challenging and time consuming. Turnover can, however, be beneficial. It can allow the organization to hire new employees with more current training who are not locked into existing ways of doing things. Fresh ideas from outsiders can be critical to organizations that have become stagnant and are in need of innovation. (Jeffrey, 2006). Involuntary turnover occurs when circumstances dictate a change in employment status that does not represent the preferences of the employee. Voluntary turnover, on the other hand, is the outcome of the employee's decision to leave his or her current job.

Many organizations have found that turnover is a costly problem. In many service industries the turnover rates and costs are frequently very high.

2.2. Classification of Employee Turnover

The reality of employee separation is that the organization relinquishes key assets. Every employee represents an investment by the organization in terms of direct & indirect

expenditures relative to staffing; training; compensation, and benefits. Strategically managing employee separation entails determining the value of human assets from an investment perspective and considering the costs of discarding these assets. How this process is managed may be one of the most important investment decisions an organization makes**.** (Jeffrey, 2006, p. 576)

Causes for turnover most of the recent study showed turnover is the result of mistakes made during the hiring phase and out placement. The primary basis for job loss is not because the departing employees failed to meet the requirements of their job but because they never really fit the culture of their organization. For this reason, many companies are now adopting the strategy of "hire for attitude, train for skill." It is easier to develop the skills and capabilities that an employee needs than to attempt to change the employee's personality or mind-set. Once a culture – based selection process is in place, a carefully designed orientation program can also help lay the groundwork for commitment by promoting the feelings of affiliation that characterize organizational fit. Companies should be designed, to promote feelings of membership right from the start by celebrating the arrival of new employees and showing them how they fit into the organization's "big picture" pp 580 (Jeffrey, 2006).

Though compensation represent some of the most traditional retention tools, the methods that companies typically use to motivate& compensate employees do not always produce goal results and may be largely ineffective in retaining high performers. All too often, when companies design their reward systems, they end up relying on the approaches that are most familiar and widely practiced, such as financial incentives. While financial incentives can sometimes work to improve performance their value as a retention tool has diminished in recent years.

Employee Turnover is classified in a number of ways. According to (Mathis & Jackson, 2006), the below classification can be used and various types are not mutually exclusive.

Involuntary turnover this occurred when an employee is terminated for poor performance or work rule violation. This is triggered by the organization policies, work rules and performance standards that are not met by employee. Voluntary turnover occurred when an employee leave by choice. These appears to increase the size of organization, most likely because larger firm are

less personal, permeated by an 'organizational bureaucracy' and have employees who are inclined to move.

Functional turnover

Functional turnover this occurred when low performing or disruptive employee leave. Not all turnovers is a negative for an organization on the contrary some workforce losses are desirable, especial is those who leave are lower performing, less reliable individuals, or disruptive co-workers. This can help sub-optimal organization performance although the excessive turnover can detrimental to the firm's productivity. An example for a functional turnover would be the replacement of unproductive employees with productive ones, thus dysfunctional turnover would be interpreted as losing productive employees. For managers it is important whether a turnover brings an opportunity to gain more productive employees (for functional turnover) or forces them to reorganize current work settings (for dysfunctional turnover). (Morrell et.al, 2001)

Dysfunctional turnover

Dysfunctional turnover occurred when good performers leave the organization. When this happens to the organization it results to a negative impact. It can even damage the organization through decrease of innovation delayed services. Lethargic implementation of new programs and degenerated productivity, Example a software project leader left in the middle of a system upgrade in order to take a promotion at another firm in the city (Abassi S. M and Hollman K.W, 2001). His departure caused the system upgrade timeline to slip by two month due to the difficulty of replacing that project leader.

Uncontrollable turnover

Uncontrollable turnover employees leave for the reasons outside the control of the employer. Employees leave or quit for many reasons that cannot be controlled by the organization. These reasons include: the employee moves out of geographical area, the employee is a student worker who graduates from the college. Even though some turnover is inevitable many employer recognize that reducing turnover is crucial. Therefore they must address turnover that is

controllable. Organization are better able to retain employees if they deal with the concerned of employees that are leading to this type of turnover

Controllable turnover

Controllable turnover, this occurred when employees leave for the reasons that could be influenced by the employer.

2.3. Employee Turnover levels

Employee turnover is the level of movement of employees inside and outside the organization Turnover has both positive and negative aspects; however, it is in the interests of organizations to eliminate the negative impacts and the excessive (negative) level of turnover that threatens knowledge continuity. Excessive turnover causes an undue burden for a company's budget and human resources, i.e. time dedicated to employee recruiting, advertisements, interviews, initial training, supervision, motivation, evaluation, adaptation to the new job, mentoring, coaching, substitution while the position is vacant and so on (Lucie Vnoučková and Hana Klupáková, 2013)**.**

Only labor turnover beyond a particular degree may be a problem for individual firms. The basic arguments for this statement, first, the costs of 'normal' turnover are an accepted part of the industry's production costs passed on to the consumers. Secondly, if turnover not only has disadvantages there may well be a turnover level where the advantages of turnover surpass the disadvantages to the extent that the organization would favor from a higher turnover rate. Thirdly, excessive turnover may be part of a wider bundle of problems in the organization. This implies that e.g. financial losses correlated with labor turnover need not to be produced by it directly. (Glebbeek & H.Bax).

It all depends on who leaves as to how much they will be missed by the organization, and most managers will confirm there have been occasions they were actually overjoyed certain individuals decided to take a job elsewhere. In other words, it is important to utilize measures assessing the quality of leavers (or retained staff for that matter), rather than just record their

quantity (Marchington, 2008). This is true situations in which you are losing staff to direct competitors or customers have developed relationships with individual employees.

2.4. Types of Employee Turnover

- **Voluntarily vs. Involuntary**

The separation of employees from an organization may be due to voluntary or involuntary turnover. It is voluntary when the choice of leaving the organization is initiated by the employee and involuntary where the employee has no choice in their termination. It may result from the following situations: dismissal, retrenchment/redundancy, retirement, long term sickness, physical/ mental disability, moving /relocating abroad, death.

- **Internal vs. External**

Employees turnover can be classified as either internal or external. It is internal when employees leave their current assignment and take up new roles or positions within the organization. This could bring both positive and negative feelings. The feeling could be positive if the new position brings about increased morale from the change of task and supervisor; alternatively, it could be negative if the new position is project related or relational disruption like holding brief for a colleague in another location. The effect of this internal turnover may be important as to require monitoring just like the external turnover. Human resource mechanism such as recruitment policy and succession planning can be used to control internal turnover.

- **Skilled vs. Unskilled**

Unskilled employees who are generally known as contract staff usually experience high turnover. The reason for their exit is not far-fetched. This category of employees do not have status of permanent contract and consequently do not enjoy the same condition of service like their permanent counterpart, as a result, they leave the organization at the slightest opportunity of having a more favorable job. Employers do not worry about this kind of turnover because of the ease of hiring new ones. On the other hand, high turnover of skilled employees pose a risk to the business and ultimately in the organization in the form of human capital lost.

These include skills, training and acquired knowledge. Since these specialized employees have skills that are relatively scarce and can be re-employed within the same industry, their leaving can act as a competitive disadvantage to the organization in addition to the cost of replacing them. These costs can be enormous especially if the employees occupy strategic position and play key roles in the organization. (Samuel et.al, 2012)

2.5. Theoretical Framework

Adams (1965) equity theory as presented in (Spector, 2008) and Herzberg (1959) two factor theory as cited in (Bassett-Jones & Lloyd, 2005)The equity theory posit that employees seek to maintain equity between the input that they bring into a job (e.g. education, time, experience, commitment, effort) and the outcome they receive from it (e.g. promotion, recognition, increased pay) against the perceived inputs and outcomes of other employees. Equity theory proposes that individuals who perceive themselves as either under-rewarded or over rewarded will experience distress, and that this leads to efforts to restore equity within the organization. (Hellriegel et.al, 2008) argue that they may behave in ways that harm the organization. For example, they may quit, and when high performers leave the organization, the company loses its productive talent and the capacity to gain competitive advantage. If dissatisfied employees stay, they may react by withholding effort in order to restrict output or lower quality, or embark on deliberate sabotage of equipment. This may also put the organization at competitive disadvantage. An under-rewarded employee tend to show feelings of hostility to the organization and perhaps their co-employees which may lead to reduced productivity and this may impair the overall performance of the organization especially when high performing employees are involved.

Herzberg (1959) provided a theoretical back-ground for this study. Herzberg argued that employees are motivated by internal values rather than values that are external to the work. In other words, motivation is internally generated and is propelled by variables that are intrinsic to the work which Herzberg called “motivators”. These intrinsic variables include achievement, recognition, the work itself, responsibility, advancement, and growth. Conversely, certain factors cause dissatisfying experiences to employees; these factors

largely results from non-job related variables (extrinsic). These variables were referred to by Herzberg as "hygiene" factors which, although does not motivate employees; nevertheless, they must be present in the workplace to make employees happy.

The dissatisfiers are company policies, salary, co-worker relationships, and supervisory styles (Bassett-Jones & Lloyd, 2005). Herzberg (1959) as cited in Bassett-Jones and Lloyd (2005) argued further that, eliminating the causes of dissatisfaction (through hygiene factors) would not result in a state of satisfaction; instead, it would result in a neutral state. Motivation would only occur as a result of the use of intrinsic factors. Empirical studies ((Kinnear & Sutherland, 2001); (Meudell & Rodham, 1998); (Maertz & Griffeth, 2004) have, however revealed that extrinsic factors such as competitive salary, good interpersonal relationships, friendly working environment, and job security were cited by employees as key motivational variables that influenced their retention in the organizations. The implication of this therefore is that management should not rely only on intrinsic variables to influence employee retention; rather, a combination of both intrinsic and extrinsic variables should be considered as an effective retention strategy.

2.6. Factors that have an Impact on Turnover Intent

2.6.1. Search behavior

This is the degree to which employees are looking for other jobs whereas intent to stay is the extent to which employees plan to continue membership with the employer. Search behaviour is a determinant of turnover. The belief is that, search behaviour increases turnover and intent to stay decreases it. Employees search for a job then decide to stay or leave their employer.

2.6.2. External Opportunity

External Opportunity refers to the availability of alternative, attractiveness and attainability of employment in the environment. The interaction of supply and demand forces in the economy must be taken into consideration in measuring external opportunity. The availability is mainly about the number of opportunities outside the organization. The attractiveness refers to the pay

levels of such opportunities. Last but not least, attainability is defined by the possession of the skills required on the job (Mueller & Price, 1990). Thus numerous higher paid jobs for which a worker is qualified should produce a greater turnover.

2.6.3. Job Satisfaction

"Job satisfaction is the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values" (Locke, 1969) Job satisfaction was conceived to be one's affective attachment to the job viewed either in its entirety(global satisfaction) or with regard to particular aspects such as leadership. It is conceptualized as an affective and emotional response. Many studies showed empirical evidence that job satisfaction is an important predictor of future mobility (e.g. Mobley, 1977; Hom & Griffeth, 1991). Job satisfaction and commitment satisfaction is the extent to which employees like their work, while commitment means loyalty of employees to their employer. Job satisfaction is a determinant of organisational commitment.

2.6.4. Organizational Commitment

(Mowday et.al, 1979)Defined commitment "as the relative strength of an individual's identification with and involvement in a particular organization" It is characterized by three factors:

- a strong belief in and an acceptance of the organization's goals and values
- willingness to exert considerable effort on behalf of the organization
- and a strong desire to maintain membership in the organization

Commitment can be seen as the loyalty to a social unit, such as organization, the subsystem of an organization or an occupation (Price, 1997). Most research on commitment concentrates on organizations rather than subsystems or occupation. Organizational commitment refers to the employees' psychological attachment to the organization.

2.6.5. Management

Management: (Cappelli, 1992) state that the relationship between managers and employees influences employees' decision to staying a job. Research shows that supervisors and managers have an important impact on employee turnover. The length of time that employees stay in an organization is largely determined by the relationship between employees and their managers (Dailey & Kirk, 1992). Employees value certain factors about managers. Firstly, (Gomez-Mejia & Balkin, 1992)notes that employees desire managers who know and understand them and who treat them justly. Employees also prefer managers who can be trusted. If employees feel that their managers are fair, reasonable and supportive, levels of job satisfaction increase. Secondly, if the manager shows interest in the well-being of employees and is supportive and sensitive towards employees emotionally, employee job satisfaction increases (Miller & Wheeler, 1992). Furthermore, autonomy is valued by employees and decreases turnover.

2.6.6. Pay

According to Lawler, "pay satisfaction or dissatisfaction is a function of the discrepancy between what one feels one should receive and how much pay one does receive" (Lum et.al, 1998). Several studies included pay satisfaction as a component of a multi-dimensional measure of job satisfaction (Frisina et.al, 1988). Pay satisfaction causes include personal and job inputs, monetary and nonmonetary outcomes, the comparison process, as well as pay policies and administration. Models of pay satisfaction are based on the concept of Equity theory (Lum et.al, 1998) which emphasizes that pay satisfaction is caused by sentiments regarding the equity of a person's pay. If the ratio is consistent with the other referent source, then pay satisfaction results. Inequitably feeling exists when someone's pay is perceived to be less than another's. Consequences of pay dissatisfaction contain several unwanted employee behaviors, such as turnover, absenteeism or lowered job performance. Pay satisfaction was examined to be negatively correlated with turnover intent, since it was positively correlated with job satisfaction (Lum et.al, 1998).

2.6.7. Promotional chances

Promotional chances this is the degree of potential occupational mobility within an organization. This is focused on vertical mobility and availability of internal employee market. The belief is that, promotional chances decrease turnover indirectly by means of positive impact on job satisfaction and organizational commitment. Dissatisfaction with career prospects is a major cause of turnover. To a certain extent, this has to be accepted. More and more people recognize that to develop their careers they need to move on, and there is little their employers can do about it, especially in today's flatter organizations where promotion prospects are more limited. These are the individuals who acquire a 'portfolio' of skills and may consciously change direction several times during their careers. To a certain degree, employers should welcome this tendency. The idea of providing 'cradle-to-grave' careers is no longer as relevant in the more changeable job markets of today, and this self-planned, multi-skilling process provides for the availability of a greater number of qualified people. But there is still everything to be said in most organizations for maintaining a stable core workforce and in this situation employers should still plan to provide career opportunities. (Armstrong, 2006)

2.6.8. Clear Job Expectations

When an individual's expectations of the job are not met, the employee may experience job dissatisfaction which could make it difficult for an organization to retain staff. Employees are joining the organizations for different reasons. When some of the expectations by newly recruited staff are not fulfilled, those employees exit the organization. Some employees may not be in a position to tolerate certain managers or supervisors and decide to quit, with some of them exiting in the first few months after they have joined the organization. Some of the employees seem to have been confronted by situations that they were not prepared to encounter. According to (Makhubu, 2006), these employees could feel somewhat abandoned after the first few days at work and rather than suffer through all this, they decide that the job isn't for them and they leave.

2.6.9. Demographic determinants

2.6.9.1.Tenure

Many studies included tenure in demographical predictors of turnover (e.g. Cotton and Tuttle, 1986/ Price, 1977/ Hom & Griffeth, 1991). These studies discussed the relationship of turnover and tenure. Tenure reflects specific human capital investments, learning about job characteristics that can modify the position's attractiveness, as well as periodic labor force attachments (Viscusi, 1980). Individuals with a higher rate of length of service, who leave the organization, are likely to be found disproportionately from among the members with low lengths of service. Increased tenure shows to be strongly related to propensity to remain.

2.6.9.2.Age

The factor age has been resulted to be negatively correlated with the probability of job turnover intent. Based on the matching theory, younger people have an experimental stage at the beginning of their professional life. A change is less attractive, since the available time to redeem the costs associated with a job turnover diminishes with age.

2.7. Conception Framework Model

In conducting this study the researcher will use the simplified version of (Mobley et.al W. H., 1978). This Mode of Turnover is used to determine the increase of labor turnover in Nib International bank. (Mobley et.al W. G., 1979), (Bannister & Griffeth, 1980), (Coverdale, S., & Terborg, J., 1980), (Griffeth, R., 1979) and (Mowday, R., Koberg, C., & McArthur, A., 1980) have since found additional support for the reduced form of Mobley's 1977 model. Moreover, the (Miller et.al, 1979) results suggest that the Mobley (1978) version predicted turnover more accurately than did other approaches ((Miller et.al, Evaluation of the Mobley, Horner, and Hollingsworth model of employee turnover, 1979). This model aimed at capturing all variable that explain the voluntary turnover of employees.

Job satisfaction to influence thoughts of quitting, intention to search, and intention to quit. Thoughts of quitting was predicted to directly affect intention to search, which, in turn, was predicted to directly affect intention to quit. Further, the probability of finding an acceptable alternative was proposed to affect intentions to search and to quit. A thorough test of all components of the (Mobley et.al W. G., 1979)model would undoubtedly be beyond the scope of any single study. Hence for this study it was decided to limit the number of included variables to a manageable subset. Thus this investigation involved a sample of the several dozen variables specifically out lined in the model.

Turnover will be included as the final predicted product of all other variables. Immediately preceding turnover in the model is intentions of quitting the job, a variable also will be included. The model postulated three major antecedents of intentions, and two of these were chosen job satisfaction and perceived alternative employment opportunities. The latter variable, intention to search and the probability of finding an acceptable alternative will be considered less emphasis to the present study, due to the broadness of the variable and time constraint. As antecedents of job satisfaction, several organizational and individual characteristics were chosen that have been shown to be related to satisfaction. On the organizational side were task characteristics, Career growth and consideration behavior by the supervisor. Individual characteristics included age, tenure, salary, and job level. Two additional variables omitted from the (Mobley et.al W. G., 1979)model were included because they show promise as potential contributors to the turnover process. Confirmed pre-employment expectancies have been suggested as a causal factor in turnover ((Scott, 1972); (Wanous, 1973). Confirmed pre-employment expectancies is, when an employee discovers that a job is not what he or she believed it would be, turnover is a likely outcome.

Organizational commitment was the second variable added to the model. Commitment to the organization was discussed by (Mobley et.al W. G., 1979)as potentially valuable in explaining turnover. In fact (Mowday et.al, 1979)suggested that organizational commitment might do better at predicting turnover than job satisfaction, although they did admit the evidence for superiority was equivocal. For the current study it was decided to include commitment in addition to job satisfaction to determine whether it contributed to the model above and beyond job satisfaction. a model implies that evaluation and comparison of jobs occur after the job search

concludes, when the job seeker is reviewing his or her job offers. Research on organizational choice, however, reports that evaluation and comparison of jobs occur before and during the job search process (Lawler, Kuleck, Rhodes, & Sorensen, 1975; Sheridan, Richards, & Slocum, 1975; Vroom, 1966). Job seeking employees may evaluate and compare alternative jobs in order to decide to which employers to submit their applications. While Mobley's model delineates the causal determinants of the initiation (and perhaps magnitude and persistence) of search behavior, this model leaves unspecified the determinants of the direction of this search activity. The question why some jobs are sought and others not is unanswered. This alternative model suggests that knowledge of specific alternatives prior to an actual search may influence the direction of this search. Additional research is needed on the determinants of an employee's awareness of external alternatives (Baysinger& Mobley, 1982).

This model suggests that failure in the search for acceptable alternatives may result in an intention to terminate the search or an intention to remain in the present job or a decision to defer quitting until a later time when alternative had no direct effects on search and quitting intentions.

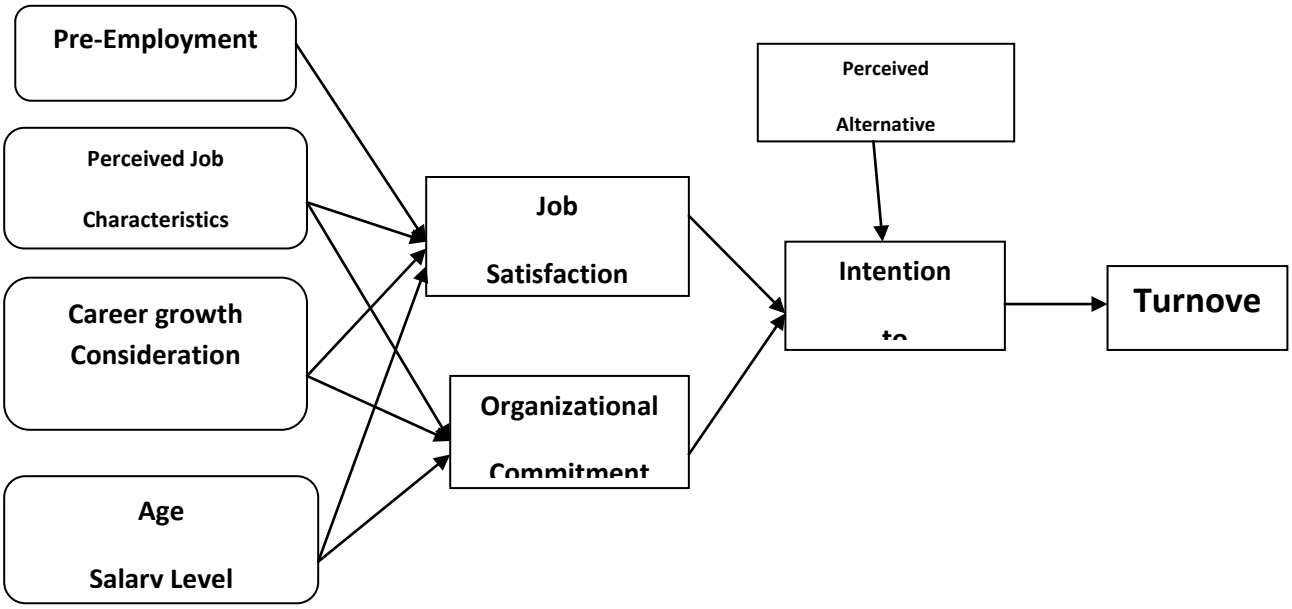


Figure 2Path analysis of the Mobley et al. (1979) model

Source: (Charles E.Michaels & Paul E.Spector, 1982),

2.8. Interrelationships among Variables

2.8.1. Relationship between Alternate opportunities and turnover

Perceived Alternative Employment Opportunity: Perceived alternative employment opportunity, also known as perceived ease of movement, is the perception of the availability of job alternatives. This perception is an uncontrollable factor because it is closely associated with the external environment, such as availability of job vacancies and unemployment rate. In an early study of, they revealed the significant relationship between availability of jobs and voluntary turnover. Numerous studies acknowledged that the perception triggers the turnover intention. In addition to the market condition, educational background may affect the perception too. Investigated that workforce with higher educational background perceived more employment opportunities. Higher educated workforce may consider their qualification as a competitive advantage over less educated workforce by having more choices of alternative positions. (Raj & Arokiasamy, 2013).

H1: Alternate opportunities have positive relation with employee turnover.

2.8.2. Relationship between Demographic Factors and Turnover Intention

According to Poling (1990), the best predictor of job satisfaction is when the employees' personal values match those of the organization. Employees' motivation towards work is extremely high when they first start their work. The morale subsequently 'decreases during the next few years and remains relatively low level until workers are in their late twenties or early thirties' (Scott et.al, 2005). However, the longer an employee stays in the organization his / her level of job satisfaction increases and continue to raise through the reminders of the workers' career.

H2: Demographic factors have positive relation with employee turnover.

2.8.3. Relationship between Career growth and turnover

Career growth is much more important than salary in Europe or America but it is counted equivalent to salary in Asian or Africa context. “Moving Up or Moving Out” counts career growth as basic for turnover. Leavers have more negative attitude towards the promotion than stayers (Mobley et.al W. G., 1979).

Career growth is further classified into various aspects like growth within the organization, job specific training, networking, career development opportunities, organization commitment to professional development, trainings. Dynamic employees all over world show more turnovers to achieve their targets in terms of movement up in the industry by switching the jobs frequently. Promotion/growth is included in intrinsic factors for employees to stay with the organization (Herzberg’s, 1966). Survey reveals that promotion outside of the Organization remains the most common causes of voluntary turnover (CIPD Turnover Survey, 2009). (Jaffari et.al A. R.-u.-R., 2011)

H3: Career opportunities have negative relation with employee turnover.

2.8.4. Relationship between management and turnover

It is being said employees leave managers not the organization. Employees may be satisfied with the organization but in some cases they leave organization because of their managers. Relationship with mangers works for overall satisfaction of employees with the organization. Factors of turnover are either controllable or uncontrollable. This factor moves both sides. It may be controllable in some cases and may go to uncontrollable in other cases. Nature of management influence the individuals in terms of values of organization, image and existence of firm. (Jaffari et.al A. R.-u.-R., 2011)

H4: Relationship with manager has negative relation with turnover.

2.8.5. Relationship between Job satisfaction and turnover

"The measurement of one's total feelings and attitudes towards one's job" (Graham, 1982). Job satisfaction is counted as the top most factor of turnover out of four key factors (Mobley, 1982; Hom and Griffeth, 1991). At the individual level, satisfaction is thought to be a psychological variable which is most frequently studied as related to turnover of employees (Mobley et al., 1979). Job satisfaction is outcome of how individual expects his job to be. Some of its determinants are fairness in job aspects, working conditions, job description and over all jobs as well. Job satisfaction has negative relation with turnover (Arnold and Feldman, 1982; Bluedorn, 1982; Cotton and Tuttle, 1986; Falkenburg and Schyns, 2007; Khatri et al., 2001; Mobley et al., 1979; Mobley, 1982). Job satisfaction is counted as a behavioral choice of employee (Falkenburg and Schyns, 2007). It would be behavior that how on look/perceive his/her job. Further job satisfaction can be sub-explained through many dimensions. Some are discussed as co-workers in the environment, physical working conditions for the job, financial benefits for the work done, supervision, company identity, kind and nature of work (Khatri el al., 2001; Koh and Goh, 1995). (Jaffari et.al A. J.-u.-R., 2011)

H5: Job satisfaction has negative relation with employee turnover.

2.8.6. Relationship between Compensation (Salary) and turnover

Salary stands as very important factor for Asians to stay in any organization (Europhia, 2008). Survey counts Compensation and benefits as key factor coupled with employees job out of 24 key elements and out of findings, compensation is counted to be the third gratifying aspect of the job (SHRM EJS, 2009). Mostly in Asia people leave their current positions for more pay and external pay equity without much bothering about growth, loyalty or other factors. Higher salary is associated with longer tenure (Federico, 1976). Researches on compensation created a link between rewards system of the organization, the outside perspective employees that are attracted and current employees of the organization (Murphy, 2009). Study shows that where

with the existence of higher degree relating to the need and reward or employees, the relationship of managers and employees grows to be stronger (Vandenberg and Scarpello, 1990). Compensation/salary forms the basic glittering factor for Asians to switch to next job without much consideration of other factors. Generally employees compare their job with other organizations in terms of job achievement and compensation (wage), so if one is having recognition that he or she is having more wages and job achievement then this will impact them positively (Choi, 2006). (Jaffari et.al A. R.-u.-R., 2011).

2.8.7. Relationship between Intention to Quit and turnover

Turnover is understood to be the termination of an individual's employment with a given organization, the turnover intention (intention to quit) is conceived to be a conscious and deliberate willfulness to leave the organization. Excessive labor turnover can cause organizations to incur significant direct and indirect costs, and because intention to quit has been shown to be the single most important antecedent to the turnover decision, it seems valuable to explore intention to quit in uncovering the high turnover issue. (Okiko, 2014)

H6: Intention to Quit has positive relation with employee turnover.

Badly designed pay systems can de-motivate employees but getting pay right is no guarantee of commitment. Research suggests that in order to feel committed, employees must feel satisfied with their work. Surveys consistently show that employees generally want interesting work, opportunities to develop, fair treatment and competent management. The line manager has a key role to play in maintaining commitment. Employers need to train line managers in how to manage people. (DavidLoquercio, JANUARY 2006)Job satisfaction and commitment satisfaction is the extent to which employees like their work, while commitment means loyalty of employees to their employer. Job satisfaction is a determinant of organisational commitment.

2.9. Empirical Literature review

A body of theoretical and empirical work has emerged that attempts to minimize voluntary turnover as discussed here below:-

2.9.1. Structural Investigation of the Relationship between Working Satisfaction and Employee Turnover

According to (Chen, 2010) conducted a study on structural investigation of the relationship between working satisfaction and employee turnover. A study was conducted in hotel employees in Xin Hua hotel, Taiwan. Several main findings from their empirical analyses, (1) Providing career advancement opportunities is critical for retention. (2) A mentoring program can help decrease the employee turnover of the small- and- medium –sized hotels. (3) High-quality communicating is valuable for hotel policy. (4) Pay and welfare also indicate significant position in Human Resource Management in the hospitality industry. The investigation of working satisfaction reflects the status of human resource in the hotels, through this, positive reactions can be made, and encouragement system can be adjusted, so that employees get more satisfaction, employee turnover is reduced and performance can be improved.

This research adopted a questionnaire approach by collecting data from current employees in Xin Hua hotel in Guangdong, China. The questions include items pertaining to the respondent's personal information; respondent's employee tenure in the company, respondent's opinion about employee loyalty and employee satisfaction. Other questions asked the respondents to evaluate their level of importance of employee characteristics and their perceived manifestation of these characteristics. To predict retention, respondents were also asked to indicate their level of satisfaction with their current supervisor, the effectiveness of company to remain good employee, their likelihood to find another job and their confidence. The last set of questions asked respondents to assess employment features that would cause dissatisfaction. (Chen et.al, 2010)

2.9.2. The Impact of Effective Communication on Employee Turnover Intension

According to (Nwagbara, 2013) conducted a study on The Impact of Effective Communication on Employee Turnover Intension. A study was conducted at First Bank of Nigeria. The methodology adopted is survey in which questionnaires were distributed to staff at First Bank including workers on the floors, who directly deal with floor managers. Out of 57 questionnaires distributed, 46 people returned their questionnaires, which give a response rate of about 80%.

The data collected was triangulated with secondary sources such as journal articles and book sources to arrive at conclusion. By using a Likert Scale, respondents were asked basic questions in relation to how they perceive communication and relation between them and managers. They were asked to measure these between the scales of 1 to 5.The result suggested that effective communication can create an atmosphere of communication satisfaction that can foster low employee turnover intension as the study shown with First Bank of Nigeria between the floor managers and their subordinates. (Nwagbara et.al, 2013)

2.9.3. Job Satisfaction and Employees' Turnover Intentions

(Samuel, 2012) also conducted a study on 'Job Satisfaction and Employees' Turnover Intentions in plc. The study was conducted in Nigeria, Lagos State and it aimed at examines Job Satisfaction and Employees' Turnover Intentions. To carry out this examination, three research methods were employed: A survey of the company employees, interviews with selected HR experts and a review of archival documents. It specifically considered satisfaction with pay, nature of work and supervision as the three facets of job satisfaction that affect employee turnover intention. To achieve this objective, authors adopted a survey method by administration of questionnaires, conducting interview and by reviewing archival documents as well as review of relevant journals and textbooks in this field of learning as means of data collection. major hypotheses were derived from literature and respective null hypotheses tested at .05 level of significance It was found that specifically job satisfaction reduces employees' turnover intention and that Total Nigeria PLC adopts standard pay structure, conducive nature of work and efficient supervision not only as strategies to reduce employees' turnover but also as the company retention strategy.

This study gives no doubt adopts standard pay structure, conducive nature of work and a suitable supervision tactics in accomplishing employees satisfaction on their jobs. All these constitute absolute policy instrument for retention and as strategies which have the tendency to reduce employee turnover and enhance job satisfaction in the organization. (Samuel et.al, 2012)

2.9.4. An Empirical Study of the Relationship among Job Satisfaction, Organizational Commitment and Turnover Intention

This study conducted on 100 employees from production sector and 82 employees from service provider sector. The relationship among job satisfaction, organizational commitment and turnover intention are investigated to determine statistically significant relations. The results of the study support the hypotheses. Job Satisfaction has a significant and positive relationship with three dimensions of organizational commitment and turnover intention has a significant and negative relationship with job satisfaction and organizational commitment. Employers should promote their employees by improving supervision styles that well treated employees develop a positive attitude towards supervision and the organization or vice versa also involving more employees in decision making process, providing better working condition and providing flexible working hours and paying fairly, encouraging employees to use their own skills and abilities help them to have a sense of self-pride, a sense of competence and a sense of self confidence that increases job satisfaction and also the factors like job variety and clear job description lead to higher job satisfaction. Employees having a high job satisfaction are expected to be committed to the organization, but it is important to know how these employees connect to the organization in terms of membership status.

Reference & Location	Research frame work and design	Publisher	Key outcome
(Adeboye Titus Ayinde , 2012)Osun State, Nigeria	Subjects' total was 100 employees, comprising of 63 males and 37 females. A self-designed questionnaire was used to collect relevant data for the study and the data collected were analyzed using Pearson Product Moment Correlation (PPMC) and T-test analysis. A descriptive survey design was adopted for the study. The subjects for the study comprised of three banks in Ile-Ife;	Research Journal in Organizational Psychology & Educational Studies 1(6) 353-360	Perception of career progression played an important role in bank workers' turnover intention but years of service did not.

	Oceanic bank, Intercontinental bank and United Bank for Africa (UBA) which were purposefully selected		
(Tamkeen Saleem and Seema Gul, 2013)Islamabad	Demographic Data Sheet and Pay Satisfaction scale, Organizational commitment scale and turnover intentions scale. The sample consisted of 90 employees (39 Males and 51 females) from public sector organizations	Middle-East Journal of Scientific Research 17 (6): 697-704, 2013	There exists a significant positive relationship between pay satisfaction and organizational commitment, significant negative relationship between pay satisfaction and turnover intentions, significant negative relationship between organizational commitment and turnover intentions and significant positive relationship between perceived alternative employment opportunities and turnover intentions.
(Dr. Sarminah samad, 2006)Mara, Malaysia	A total of 300 questionnaires were distributed to respondents based on the simple random sampling. 292 usable questionnaires were returned and analyzed and representing a response rate of 97.3%. to measure Turnover intentions adapted from Donnelly and Ivancevich (1985)	Journal of International Management Studies Volume 1 Number 1	Perception of job satisfaction and job characteristics of skill variety, task identity, task significance, autonomy and feedback among IT staff leads to foster negative relationship towards turnover intentions.
(Asif Sajjad, Hassan Ghazanfar, Dr. M Ramzan, 2013)Pakistan	Data was collected through a structured questionnaire; Descriptive statistics are used to describe the basic features of the data in a study. Data collected from different banks and through regression and correlation	Journal of Business Studies Quarterly 2013, Volume 5, Number 1	The independent variable motivation is significant effect of employee turnover in banking sector which suggest that must increase motivation it would reduce the value of employee turnover in banking sector.

Table 1 Different Empirical Studies

To sum up, if an employer needs a highly motivated, innovative, productive human resource, the importance of job satisfaction and organizational commitment should not be forgotten. It is obvious that high job satisfaction and organizational commitment will avoid turnover intention and actual turnover. Every employee has different kinds of needs and expectations and it is impossible to satisfy every need and expectation of the employees. Both employee and employer should try to generate a working condition that they will work in a happy, motivated and productive atmosphere to reach the certain goals. (Aydogdu, 2011)

2.10. Research Gap

According to different turnover studies as mentioned in the empirical study it's seem there are many factors that causes employee turnover. Due to those studies there is still there is a research gap in the developing countries especially in Ethiopia official study in this aspect. Perhaps based on the company's problem with employee turnover, the researcher decided that a study on causes of employee turnover is an appropriate way to get one step closer to a solution whether the solution taken to solve the workers problems which include retention strategies adopted by different organization or companies are useful and satisfactory to enable the organization to retain their employees. Therefore this study aims at investigating and finding solutions to the question "why is the employee turnover rate at the increase" given all the measures and efforts the NIB has taken to address the problem? Perhaps this study will help to identify the solution to solve or reduce the gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter explains the way in which the research was carried out. It is organized under the following sub sections; the research process, research design, the population, sampling techniques, research instruments, data collection procedures, data analysis, validity & reliability of the instrument used and ethical considerations.

3.2. Research process

Firstly, an in-depth literature review was conducted to satisfy the theoretical objective of identifying the determinates of causes of turnover intention and actual employee turnover. Secondly, an empirical, exploratory research study conducted. Quantitative data gathered by using questionnaires. This data used to test specific hypotheses derived from the literature.

3.3. Research Design

The research design helps the researcher to obtain relevant data to fulfill the objectives of the study (Churchill & lacobucci, 2002). In order to fulfill the research objectives, it is important that research is designed in approach that data collected in both accurate and relevant. It is the structure that specifies the kind of information to be collected, the sources of data and the data collection procedure. An examination of research literatures suggests that research design can be classified according to the research objectives or the type of research being employed. Therefore the researcher must step carefully throughout the research process. This study employed a descriptive design in collecting primary data.

3.4. Study Area

NIB is a private bank with headquarter in A.A and branches in most region of Ethiopia and at this time have 94 branches in Addis Ababa and branches in region including forxbearue. The

Headquarters is where all the processes of staff recruitment and the related duties are executed. NIB branches has four categories namely grade one, grade two, grade three, grade four. The study used the branches grading category for purposive sampling. Branch grade assignment is performed by the volume of work load and profit. The study was conducted two branches for each category of the bank and headquarters.

3.5. Study Population

Target population includes employees of all the branches of bank found in Addis Ababa. As there are 4 grades categories' of branches for the bank the study uses two branch for each grade and headquarters employees. So the numbers of total employees are 2,250 that consist of employees of bank in the city and region. Whereas the target population is about 1560 of this researcher used sample size according the Yamani Taro (1967) formula.

3.5.1. Sampling and Sample size

3.5.1.1. Sample Design

To determine the size of the sample used, the Yamani Taro (1967) formula 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) and it expressed mathematically thus:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{1560}{1 + 1560\ (0.05)2}$$

n = 318

Where:

n = sample size

N = target population

e =maximum acceptable margin of error (5%)

Thus in this study, the desired sample size given that there was 1,560 staff in the bank is:

The researcher used a 5% margin of error, therefore, 318 respondents who are bank staff targeted by the use of questionnaires. The respondents were randomly selected from the selected branches.

3.6. Research data sources

There are two basic types of data further on which research can be originated, secondary data and primary data.

3.6.1. Secondary data research

Secondary data research concerns the examination and evaluation of existing data collected by previous research projects. It can be available to researchers on two type; internal and external data. Kinner (1996) describes internal data is that exists within an organization itself and comes from sources such as organization figures, reports and past research. (Taylor & Kinner, 1996)

External secondary data relays to sources such as reports and statistics from the government agencies, journal and textbooks. Proctor (2000) suggested that also internet appeared as a data source assists the collection of secondary data is available through online reports, journals and magazines because of several websites that have been created by government agencies and companies. In this method, this study used only reliable information sources in order to present applicable, appropriate research sources.

3.6.2. Primary data research

According to Parasuraman (1991) argue primary data illustrates that research which is collected specifically for the purpose of the project. It is important to complement the secondary data

previously collected in order to fill the gaps where data was either unavailable or improper due to lack of significance or correctness. Primary data can be using either by quantitative or qualitative research methods and was collected through questionnaires. However the study used only quantitative data. (Parasuraman et.al, 1991)

3.7. Research Instrument

The research instruments that used for this study was the questionnaire divided into six sections;

Section A: Demographic factors scale

Section B: job characteristics.

Section C: Job satisfaction scale

Section D: intention to quit

Section E: Organizational commitment scale.

Section F: perceived alternative employment scale

A brief description of each section is hereby presented:

Section a: 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, gender, educational qualification, current job position and length of service.

Section B: Job characteristics scale

Job characteristics scale consists of questions measuring job characteristics. Five factors, namely skill variety, task identity, task significance, autonomy, feedback are used to assess job characteristics 5 items used from Hackman's scale of job characteristics measurement. Each

item was on 5-point scale (i.e., 1= disagreed Strongly, 2 = disagreed Somewhat, 3 = Neutral, 4 = agree Somewhat, 5 = agreed Strongly) (Hackman & Oldham, 1975).

Section C: Job Satisfaction scale

The study adopted the Job Satisfaction Survey (JSS) scaled developed by (Spector., 1997) used to measure Job Satisfaction of employees in work settings. It is a 36-item measure of employee job satisfaction applicable specifically to service-oriented organizations. To assess overall job satisfaction, an averaged composite of all 36 items used (alpha=.92).For the facets of job satisfaction, Spector's subscales used. Their alpha reliabilities were: .84 for pay, .77 for promotion, .88 for supervision, .70 for benefits, .82 for contingent rewards, .53 for operating conditions, and .63 for coworkers, .80 for the nature of the work and .75 for communication. Respondents required to indicate the extent to which they agree with each item using a 5 point of type scale labeled1= disagreed Strongly, 2 = disagreed Somewhat, 3 = Neutral, 4 = agree Somewhat, 5 = agreed Strongly.

Section C: Job alternatives

Two items from (Lee & Mowday, 1987) aggregated to show an overall perception of job alternatives. "What is the probability that you can find an acceptable alternative to your job?" "If you search for an alternative job within a year, what are the chances you can find an acceptable job?" Items measured with a Likert- type, 5 -point scale labeled 1= disagreed Strongly, 2 = disagreed Somewhat, 3 = Neutral, 4 = agree Somewhat, 5 = agreed Strongly. These items were averaged to reflect one's perceived alternatives (alpha = .93, .93).

Section D: Organizational commitment scale

The Organizational commitment scale developed by (Mowday et.al, 1979) used to measure the commitment of employees to their organization in this study. The scale consists of 15-item OCQ.

Respondents asked to indicate the extent to which they agree or disagree with each item using of 5 point likert scale labeled 1= disagreed Strongly, 2 = disagreed Somewhat, 3 = Neutral, 4

= agree Somewhat, 5 = agreed Strongly (Mowday et.al, 1979)reported the reliability for each scale (coefficient alpha;) to be 0.79.

Section D: Intention to leave

These items adapted from (Hom et.al, 1984). The three items were "Do you intend to leave the organization in the next 12 months?", "How strongly do you feel about leaving the organization within the next 12 months?" and "How likely is it that you will leave the organization in the next 12 months?" An averaged composite used in the analysis (alphas were .95 and .97).

3.8. Validity and Reliability of the Instrument

The validity and the reliability of the questionnaire that used in this study was conducted in the following way:

The content validity of each scale in the questionnaire have been confirmed by the original users like (Hom et.al, 1984)for the turnover intention scale , (Spector., 1997)for the job satisfaction scale, (Hackman & Oldham, 1975)for the job characteristics scale and (Mowday et.al, 1979) for organizational commitment scale.

To determine the face validity of the questionnaire, the draft was given to my adviser Dr. Abebe. E. expert in the field in providing adjustment over the questionnaire. In addition, using the cronbach-alpha method, the reliability of each scale in the questionnaire will be tested.

3.9. Method of Data Collection

A total of 318 questionnaires were administered to Nib bank personnel in all selected branches and head office in Addis Ababa. Questionnaires were retrieved and analyzed. The administration and retrieval of copies of questionnaire were carried out by the researcher.

3.10. Method of Data Analysis

The data collected were analyzed using descriptive and inferential statistics. Specifically, research questions answered using descriptive statistics like percentages, mean and standard deviation scores, while the research hypotheses were tested using inferential statistics like correlation analysis and multiple regression analysis. Research hypothesis were tested at the 0.05 level of significance. The statistical package for the social sciences (SPSS) used to analyze the data.

Pearson correlation used to test the hypotheses. The analysis meant to determine whether job characteristics, overall motivations, career growth, commitment, job satisfaction which is pay, promotion, the job itself, supervision, and demographical factors which is age and tenure, have any relationship with turnover intention among employees of the bank.

3.11. Ethical Consideration

In making sure there was no ethical code broken, researcher wrote a short note on the questionnaires detailing to (prospective) respondents that any information they provided anonymously treated. The researcher also saying that the exercise (survey) was for academic purposes only and that information gathered was treated with the strict confidence. This process taken into consideration given the legal and ethical implications of not seeking for information or access to information in ethical manner.

CHAPTER FOUR

DATA PRSENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

This research was conducted with the main aim of investigate the factors affecting employee turnover in Private Sector Organizations specifically in the Nib International Bank. Research questionnaires as a method of collecting and analyzing data were used in order to obtain data whereby, total number 318 respondents as a sample were requested to answer questionnaires. In addition, document reviews and analyses allowed for the confirmation and collaboration of data to establish claims. Data was analyzed such that to investigate the factors affecting employee turnover in private banks specifically in the Nib International Bank. Well-designed questionnaire were distributed to all randomly selected employees. Accordingly, varied scale in the form of choice question and five point scale Likert type questions were included in the questionnaires.

The personal information acquired from the distributed, completed and returned questionnaire is summarized and described below.

4.2. Presentation of the findings and analysis

The demographic profile of the sample respondents are as follows. Assuming the rate of response rate, 318 questionnaires (which was more than the sample size representation) was distributed and only 251 (79%) was returned.

Table 2 The demographic profile

Respondents (Age)	Employees	
	Frequency	Percent
25-33	156	62.2
34-42	85	33.9
43-51	10	4.0
Above	0	0
Total	251	100
Respondents (Gender)	Employees	
	Frequency	Percent
Male	159	63.3
Female	92	36.7
Total	251	100.0

Source: Data collected by the researcher

Respondents (Educational status)	Employees	
	Frequency	Percent
Secondary	24	9.56
Certificate	27	10.76
Diploma	86	34.26
1st Degree	110	43.83
Above	4	1.59
Total	251	100.0
	4. How long have you been working with NIB?	
Respondents (Service year)	Employees	
	Frequency	Percent
1-5 years	151	60.2
6 – 10 years	96	38.2
11 – 15 years	4	1.6
Total	251	100.00

Source: Data collected by the researcher

As it is shown in the above table (Table 2), as far as the age of the respondents is concerned, 156 (62.2%) of employees were within 25-33 years range. 85 (33.9%) of employees falls on the 34-42 years range. Of the total respondents, 4% of employees were between 43-51 years range. From the total respondents, there are no employees greater than 45 years old. This implies most of respondent young due to the former employees leave the bank.

Regarding gender of the respondents, 63.3% from employees were Male while the rest 36.7% of respondents from Employees were Female. As to Educational status of the respondents, 9.56% of the employees Secondary, 10.76% of the employees certificate, 34.26% from employee respondents hold diploma. Majority of the respondents from employees, 43.83% said completed degree level education. 4(1.59%) respondents have above Degrees. This implies education is not encouraging most of educated staffs leave the bank after holding educational level.

Concerning the banking experience of employees, majority of the respondents 60.2%, have been working for the bank for less than 5 years. This be a sign of most of employees are new which replace those employee leave the bank. Within 5 to 10 years of range, 38.2% have been working for the bank. 1.6% of employees' work experience is above 10 years.

According to the data collected in from last item of the questionnaires the following factors were mentioned as the main factors that led to the employee turnover and those factors were ranked basing on the respondents percentage of occurrence. According to the respondents (41%) stated that employee turnover is due to low salary while 16% mentioned that employees leave the bank due to job dissatisfaction and 5% leave for better job offers. Other factors were such as lack of supervisor support 8%, lack of promotion and recognition 12%, lack of conducive work environment and null 18% and no reason 10%.

4.2.1.1.Determination of factors that lead to employees' turnover in NIB

The first research question sought to better understand the factors that lead to the employee turnover in the bank. This question was also aimed at identifying whether the factors mentioned are internal factors or external factor. The primary element that emerged from questionnaires show that 88% of the factors were caused by internal factor such as low salary, lack of job

satisfaction, poor staff involvement in organization issues, poor management, poor working resources, lack of staff development policy, job stress, no promotion, poor participation on decision making issues, lack of job challenges all these are internal factors. According to the findings 12% of the mentioned factors are caused by external factors like availability of job in other organization and searching habit.

Job Satisfaction Survey (JSS) scaled developed by (Spector., 1997) used to measure Job Satisfaction of employees in work settings. It is a 36-item measure of employee job satisfaction applicable specifically to service-oriented organizations. All items consist of a 1-5 Likert scale with a rating of "1= disagreed Strongly, 2 = disagreed Somewhat, 3 = Neutral, 4 = agree Somewhat, 5 = agreed Strongly" In brief, six items of Job Satisfaction items present growth opportunity conditions to the organization while five items of Job Satisfaction indicate Supervision conditions and Eight items of Job Satisfaction represent Salary & benefit and the remaining seventeen items of Job Satisfaction represent other factors such as work environment ,communication organizational structure and etc. These subscales reflect multi-dimensional Job Satisfaction conditions.

Moreover, the Cronbach's alpha reliability coefficients for all subscale items examined were at 0.765, well above the minimal level of acceptability. Simply put, the items used here are reliable. As shown in Table 2, the total average of Job Satisfaction (3.642), which represents Supervision conditions, is somewhat higher than that of growth opportunity (2.795) and Salary & benefit (2.885). Overall, the respondents' average mean scores, approximately midpoint between "disagreed somewhat" and "agree somewhat" with those factors which is considered relatively low growth opportunity, Salary & benefit, and Supervision satisfaction conditions.

Table 3 Determination of factors that lead to employees' turnover

Variable	Description	N	Mean	Variance
Job Satisfaction				
Growth Opportunity	6-item	251	2.795	0.0498
Salary & benefits	8-item	251	2.871	0.0234
Supervision	5-item	251	3.642	0.0288
Other Factors	17-item	251	3.303	0.1442
Organizational Commitment	15-item	251	3.319	0.1526
Characteristics of job	15-item	251	2.945	0.0537
External job Alternatives	3-item	251	3.381	0.0729
Turnover Intention	3-item	251	3.559	0.0091

Source: Data collected by the researcher

Organizational Commitment Fifteen survey questions originated by (Mowday, R.T., Steers, R.M., & Porter,L.W., 1979 organizational commitments all items consist of a 1-5 Likert scale with a rating of 1 indicating "strongly disagree" and a rating of 5 indicating "strongly agree." In explaining relationships between commitment and turnover, if an employee begins to exhibit a low level of commitment, then the employee may no longer want to work for the organization, voluntarily leaving his/her organization.

The Cronbach's alpha reliability coefficient for the commitment items examined was 0.732, slightly below the minimal level of acceptability. Table 3 presents the average of commitment (3.319), indicating the low levels of the respondents' emotional attachment to, identification with, and involvement in their organization. As regards their low commitment, for example, almost half number of the respondents neither agreed nor disagreed. There is more evidence of the low levels of the respondents' did not want to spend the rest of their career in their current organization and did not feel as if their organization's problems are their own. Unfortunately, this evidence appears to indicate that the respondents are weakly committed to their organization.

Turnover Intention as the main dependent variable in this study, the questionnaire included three items measuring respondents' inclination to quit their job. Adapted from (Hom et.al, 1984) the total three items were presented to the respondents as a series of statements to which they were asked to indicate the extent to which they agree/disagree along a five-point Likert response scale (1 = strongly disagree, 5 = strongly agree).

Turnover intention, as a dependent variable, was measured on a 1-5 Likert scale (1="strongly disagree"; 5="strongly agree") by the level of agreement with the total three item statements. Understandably, there might be a reasonable suspicion that even if an officer shows an inclination to quit employment, the intention does not necessarily manifest the officer's actual turnover. However, Hom & Griffeth (1995) Hom, P., & Griffeth, R. (1995) employee Turnover. Cincinnati, OH: South Western conducted a meta-analysis of studies to examine the relationship between voluntary turnover and 35 different variables and found that among these variables, intentions to quit had the strongest relationship to actual voluntary turnover.

The SPSS scale produced of these three items had a high alpha reliability coefficient (0.81). The respondents' report of this inclination (Table 2) is mixed with an overall mean of 3.56 on a 1-5 Likert scale. However, 62% of the respondents indicated strong inclination to quit their job at their organization on all questions. The negative response reveals substantial evidence to support a top priority for probation administrators to reduce staff turnover in an era of tightening budgets and expanding expectations.

4.2.1.2.Relationship between Factors affecting turnover and Turnover Intention

Table 4 Relationship between Factors affecting turnover and Turnover Intention

Variables	Pearson (r)	Level of Significance (p)
External Job Alternatives	-0.0915	0.1480
Career Growth	-0.1466	0.0200
Supervision	-0.2731	0.0000
Job Characteristics	-0.1170	0.0640
Other Factors	-0.1353	0.0320
Salary & Benefit	-0.1567	0.0129
Job Satisfaction	-0.2336	0.0001
Commitment	-0.2700**	0.0000
*p<0.05 **p<0.01		

Source: Data collected by the researcher

The result shows that the turnover intention as expected to be significantly and negatively correlated to Commitment, Salary & Benefit, promotion, the Job Characteristics, and supervision but External Job Alternatives a little/low statistically significant and positively correlated. Therefore, the results support the hypothesis that job satisfaction, Commitment, Salary & Benefit and Supervision are negatively related to turnover intention at $p<0.01$ and $p<0.05$ among the all personnel in NIB. The result indicates low relationship between Job Characteristics and External Job Alternatives with turnover intention.

In Table 4, the correlation analysis for work itself ($r=-0.1170$, $p=0.064$) supports the hypothesis that satisfaction with the Job Characteristics is significantly and negatively related to turnover intention of all personnel at NIB. If $p=0.1170$, and the correlation analysis for Job Characteristics shows ($p=0.064$, $p<0.05$) therefore indicates negative strength of the

relationship. Thus, support the hypothesis that satisfaction with Job Characteristics has no influence in determining turnover intention among all personnel in the organization.

Finally, the results of correlation analysis (r=-2731, p<0.000) for supervision in this study is significant, thus support the hypothesis that satisfaction with supervision is negatively related to turnover intention. The strength indicates very high relationship (p=0.00, p<0.01), therefore shows statistically high relationship between supervision and turnover intention.

4.2.1.3. The Difference in Turnover Intention by Demographic Variables

Demographic characteristics of Employee assessment in relation to intention to quit shown below.

Source: Data collected by the researcher

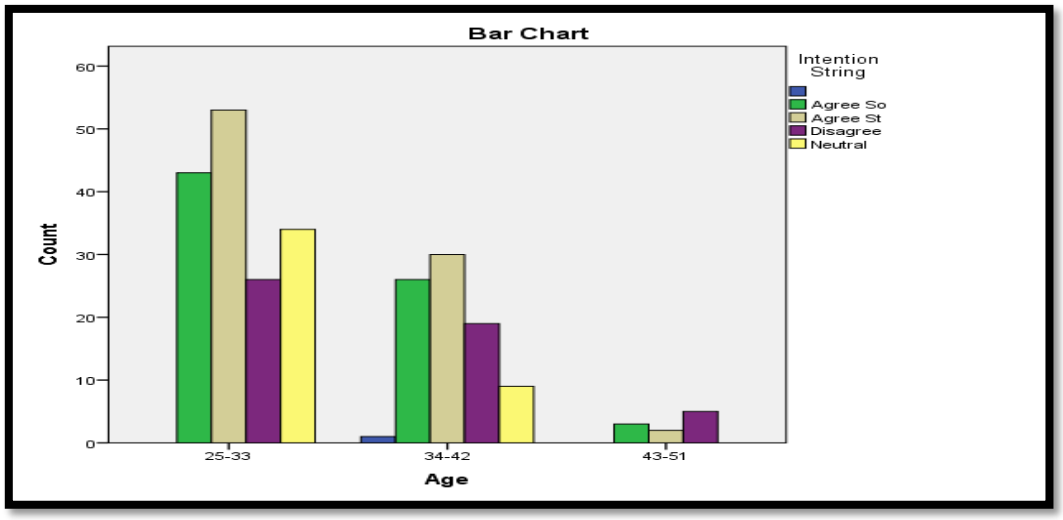


Figure 3 turnover intention & Age of respondents

(a) Difference in Turnover Intention based on Age

Table 5 Result of One-way ANOVA for Difference in Turnover Intention by Age

Intention Turnover / Age					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.259	2	4.130	2.018	.135
Within Groups	507.426	248	2.046		
Total	515.686	250			

Source: 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 Table 5 (F=2.018, p=0.135) illustrates that there is no significance difference between the turnover intention among different age group of all personnel at NIB. Thus, there is no a significant difference in the turnover intention of all personnel at Nib at four different age groups.

(b) Difference in Turnover Intention based on gender

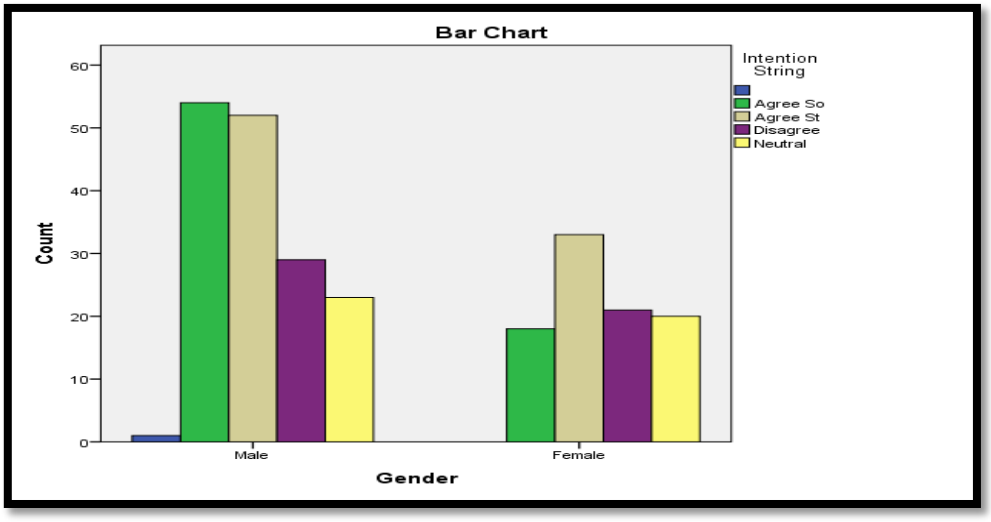


Figure 4 Turnover intention & gender

Source: Data collected by the researcher

Table 6 Result of One-way ANOVA for Difference in Turnover by gender

Intention Turnover / Gender					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.893	1	.893	.432	.512
Within Groups	514.793	249	2.067		
Total	515.686	250			

Source: Data collected by the researcher

The researcher had performed ANOVA with two groups corresponding to turnover intention. The result of One-way ANOVA as shown in Table 6 (F=0.432, p=0. 512) illustrates that there is no significance difference between the turnover intention among different gender group of

all personnel at NIB. Thus, there is no a significant difference in the turnover intention of all personnel at Nib at four different gender groups.

(c) Difference in Turnover Intention based on tenure

Table 7 Result of One-way ANOVA for Difference in Turnover by Tenure

Intention Turnover / tenure					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.834	2	1.417	.685	.505
Within Groups	512.852	248	2.068		
Total	515.686	250			

Source: Data collected by the researcher

The result of One-way ANOVA as shown in Table 7 (F=0.685, p=0.505) demonstrates that there is no significant relationship between turnover intention among different length of service of all personnel at NIB. Thus, that there is no significant difference in the turnover intention of all personnel at NIB from the four different length of service (tenure).

The five significant independent variables accounted for significant variance in the dependent variable, employees' turnover intention. As for age and marital status, the findings indicate that employees with more age (Beta = -0.075419, $p < .01$) and female employees (Beta = -0.068554, $p < .05$) are less likely to be inclined to quit: younger aged male officers tend to feel inclined to quit. However, compared to the three significant organizational factors, age and marital status had the statistically significant but weak negative effect on employees' turnover intention, suggesting the organizational factors play a larger role in predicting an employee's turnover intention than the individual factors. The effects of supervisory support, Career Growth, and commitment can translate into less adverse consequences of turnover intention. Especially, supervisory support (Beta = -0.764, $p < .001$) had the strongest statistically

significant effect on employees' turnover intention, followed by commitment (Beta = -0.564, p < .001) and Career Growth (Beta = -0.221, p < .001).

Table 8 Stepwise Regression Model for Affective Commitment

Stepwise Regression Model for Commitment analysis.

Independent Variables	B[A]	Std. Error	Beta[B]	t
Included Variables				
Age Selecting only cases for which Age = 25-33				
Organizational Factors				
Career Growth	**0.221**	**0.090**	**0.150**	**2.456**
Supervision	**0.764**	**0.081**	**0.604**	**9.410**
Commitment2	**0.564**	**0.130**	**0.314**	**4.348**
Excluded Variables				
Gender				
Age				
Position				
Marital status				
Educational level				
Experience				
Job Satisfaction				
External Job Alternatives				

Supervision	
Commitment	
Job Characteristics	
Salary & Benefit	
Other Factors	
R-square	0.433
F(df)	155
Significance	0.000

***p< .05; ** p< .01; *** p< .001**

[A]Unstandardized Coefficients

[B]Standardized Coefficients

Source: Data collected by the researcher

The main finding from the stepwise regression model for turnover intention indicates that supervisory support mainly and substantially contributes to turnover intention: when an employee shows a low level of supervisory support, reflecting no want to work for the organization, the employee is more likely to voluntarily leave his/her organization. From a managerial perspective, therefore, it should be imperative to examine determinant factors that shape supervisory support, preventing and reducing high staff turnover.

As presented in Table 8, employees' supervisory support was regressed on both the individual and organizational factors. The model produced no significant demographic factor but four organizational factors which include supervisory support, growth opportunity, commitment and overall job satisfaction.

The four significant organizational factors accounted for significance the variance in the dependent variable, employees' commitment. Similar to the findings from the previous model for turnover intention, the organizational factors play a better role in predicting employees' commitment than the individual factors.

4.2.2. To investigate the consequences of high employee turnover

The second research question was designed to investigate the consequences of high employee turnover in bank. Every human being possesses a different attitude towards work. In some cases, employees are found to enjoy their work while on the other hand many employees are found to hate their jobs.

Productivity of an organization depends on the skills or expertise of its workforce. A skilled worker may be an asset for any organization. If a skilled person leaves an organization the effects will be very high where as in case of a semiskilled or un-skilled person the effect will be less. As a result, a vacant place of a skill labor may be filled by another new worker but production falls due to their skill difference. On the other hand, five or six semi-skilled or unskilled labor may be turnover but those empty places can be filled by one or two skilled labors. It is therefore, crucial to maintain a constant workforce particularly for the skilled ones in an organization to reduce turnover for the betterment of the organization.

4.2.3. An investigation of retention strategies by bank and their effectiveness

The bank does not have any formal retention strategy in place. Many companies and organization with fully developed HR department engage in elaborate planning exercise in order to develop a cohesive and unitary strategy to deal with employee retention.

The bank does not have programmed and scheduled training or career development for staff and relatively no well define health support or social support for staff. Apart from lack of budget for retention there are other activities that bank should do to show its commitment to employees like award employees who perform well by giving certificates or other motivations

without using money but still there are no management commitment to implement those kind of things. Concurring with Hay (1999) state that money cannot be ignored, but it should not be the primary mechanism to attract and retain talent because employees who come for money will leave for money. The controversy surrounding the use of money as a strong retention factor will persist for a long time.

It is clearly that retention strategy in the bank is very important and the strategy should focus on improving the following variables so as enable the bank to retain their members as coded as pay, job satisfaction, training and staff development, promotion, recognition, supervisory support, conducive work environment and etc.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. Conclusion

This research had assessed the factors that led to the increase of labor turnover in private sector organizations and specifically Nib International bank. The labor turnover in the bank is something that needs unique commitment, which should follow the turnover and investigate the interest gap. It is important to note that the factors revealed in the findings as the causes for the increase of turnover can be classified as being within or beyond the control of the bank.

As stated in the findings the main factors for the increase turnover is growth opportunity, supervision and it leads weak commitment. The findings presented in this paper provides a clear picture regarding growth opportunity of the employees, dissatisfaction of employees, and the lack of major factors that dissatisfies the employees which ultimately leads to turnover and it stated clear what are the important retention variables the strategy should focus on.

To have a retention strategy is not an option to the bank as long as the management wants to reduce the rate of turnover in the bank. It is not very necessarily for the bank to come up with a formalized “retention strategy” or approach to employee retention. But just as many other organization and firms the bank also focus on improve good human resources practices and use their own knowledge and creativity to develop innovative methods, practices, and programs that are appropriate to their own unique environment and circumstances (i.e. product sector, organization size, workforce characteristics and interests, and so on).

However it is important for the bank to have formal retention strategy which includes common principles or fundamentals upon which good retention practices are built. The bank should have a strategic understanding of their workforce skill requirements, stressed the importance of responsive and open communications, and worked from the principle of treating people fairly. The study also revealed that for the bank the issue of career growth opportunity and systems, benefits, good supervision, recognition and rewards, and communications are one of the

important variables that need more attention to enable the bank to have a good retention strategy.

5.2. Recommendation

This study was based in assess the employee turnover in private sector bank Nib and the below are the recommendation basing on the result revealed by the finding. The management should come up with retention strategy in order to actively participate in reducing the employee turnover at bank so as to enable them to retain their qualified and experienced staff; because hiring is a cumbersome process and it is really not easy to find an employee who is loyal towards the organization and looks forward towards achieving its targets. Bank must encourage the employees to stick to it for a good amount of time and contribute effectively in their respective areas. Every individual strives hard to give his hundred percent to their workplace and expects the same in return. An individual must feel attached to his workplace to enjoy his work and learn something new each day. The bank must promise opportunities for further growth to all the employees and each one should foresee a bright future there.

The bank should put an appropriate system for staff growth instead of depending on the decisive factor to promote their staff because this kind of dependency is not good and you cannot enhance efficiency. Most of the time promotion without focuses training needs may lead for distraction. Therefore it is important for the bank to have its own training and career development budget.

The bank should focus on provide adequate and appropriate training to all the employees to increase their productivity. The superiors should give proper direction and instructions to their subordinates and see there is a healthy and friendly relationship between the superiors and the subordinates.

After having the training budget in place the researcher recommend the bank to value the investment they make in training and thus develop conscious strategy for retaining their trained manpower. It is extravagant to train employees if you have no strategy for retaining them and utilizing their acquired performance capability element. All work organization in the broader environment are looking for qualified and experienced employees, such that to train your

employees essentially means to increase their marketability and to risk losing them to an employer who is willing to pay them better than you. Ngirwa (2005)

The human resources department should develop a career development plan and assist the employees to plan their career and take part in implementation of their career plans. This is recommended because when employees have clear career plans they become settled, committed and hardworking. But also the career plans signify a management commitment to implement them, which implies a commitment to implement training programmes, recruiting from within and promotions.

Another recommendation is on salary. It is very important for bank to revise the existing salary so that it is in balance with the salary structure of other private sector banks. 68% of the respondents mentioned that they should be motivated by more salaries. The increase pay package of employee especially for the trained staff and experienced staff is very important as part of retention strategy. The increased salary may be in form of increment, rewards, allowance bonus and others. The researcher also recommends the bank to treat their employees equally. All Employees expect equal treatment, respect, training, good governance, work freedom, good relationship, and meeting employees needs like incentives, motivation and supervisor support. There should be a mutual discussion between the employees and the management to address their mutual problems. This open discussion helps to alleviate any form of misunderstanding and gain more information about staff rules and regulations.

The organization should focus on the less experienced employee because most of them are not satisfied with their job. The human resources department should take adequate steps to maintain the qualified employees in the organization by implementing more of motivating elements like good salary basing on their qualification, training, supervisor support and by make sure they utilize their skills by redesigning their jobs by include duties that utilize their skills so as to make the job so as to attract them to continue working with the bank. Involvement of this group of employee to different bank programmes, events and activities is very important to enable them to know the bank and its environment and aspect of the job.

It is important to promote employees commitment and dedication. Example recognition of the job should be given by the superiors to the employees. Example recognition of the job should be

given by the superiors to the employees. Promotion for the qualified employees should be provided at the right time as it induces them to contribute more for the organization. Ngirwa (2005) Promotion of the trained staff or those with high qualification is probably the most strategy of recognizing their effort and commitment. The promotion decisions should be fair and consistent and this will help to reduce negative feelings of employees that have not been promoted. (Meyer et al, 2003).

It is recommended for the bank to have a culture of recognizing employee's performance and this is the most important factors which go a long way in retaining employees. Nothing works better than appreciating the employees. Their hard work must be acknowledged. Monetary benefits such as incentives, bonus, and cash prize also motivate the employees to a large extent and they prefer sticking to the bank. The performers must have an upper edge and should get a special treatment from the management.

Another recommendation is directed to HR department. The HR department should redesign HRM policies, rules and regulations and make sure that all employees are aware of them. This will help the bank to achieve positive behavioral, performance and financial outcomes.

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APPENDIX 1: QUESTIONNAIRE FOR EMPLOYEES

Thank you very much for agreeing to participate in this study which investigates among other things, the factors associated with employee turnover in a private sector organization, a case study of Nib International Bank (NIB).

The purpose

The purpose of this study is to obtain your opinion and views on the factors influencing employee turnover in the bank. Your views and those of others who will complete this questionnaire will provide a valuable input to this study. Your answers will be completely confidential.

Part I: General Information and background

Please provide information in blank spaces below;

1. Gender (Put a tick) Male ( ) Female ( )

2. Your age (please tick where appropriate)

a) 25-33 ( )

b) 34-42 ( )

c) 43-51 ( )

d) 52 and above ( )

3. Your position/Title…….

4. Department……..

5. Qualifications (put a tick)

Secondary ( ) certificate ( ) Diploma ( ) Degree ( ) and above ( )

6. For how many years you have been working with your current employer (please tick where appropriate)

a) 1-5 ( )

b) 6-10 ( )

c) 11-15 ( )

d) 16 and above ( )

7. Marital status (put a tick) single ( ) married ( ) divorced ( )

8. What kind of Employment Contract are you in (please tick where appropriate)

e) Permanent and Pensionable ( )

f) Operational service ( )

g) Part time employment ( )

9. A) Is NIB your first employer? (Tick)YES ……or NO…….

b) If NO, what made you to leave that organization that you use to work with previously? Please state below

……

…….

Part II: Causes of employee turnover

1. NIB's **Job satisfaction**? (Please circle one number)

	Disagree Strongly	Disagree Somewhat	Neutral	Agree Somewhat	Agree Strongly
1. There is really too little chance for promotion on my job	1	2	3	4	5
2. My supervisor is quite competent in doing his/her job.	1	2	3	4	5
3. I am not satisfied with the benefits I receive.	1	2	3	4	5
4. When I do a good job, I receive the recognition for it that I should receive	1	2	3	4	5
5. I feel I am being paid a fair amount for the work I do.	1	2	3	4	5
6. Many of our rules and procedures make doing a good job difficult	1	2	3	4	5
7. I like the people I work with	1	2	3	4	5
8. I sometimes feel my job is meaning less	1	2	3	4	5
9. Communications seem good within this organization	1	2	3	4	5
	1	2	3	4	5
10. Raises are too few and far between	1	2	3	4	5
11. Those who do well on the job stand a fair chance of being promoted	1	2	3	4	5

12. My supervisor is unfair to me □□□□ □□ □□□□ □□□□□	1	2	3	4	5
13. The benefits we receive are as good as most other organizations offer □□□□□ □□□ □□□ □□□□ □□□ □□□□□ □□ □□□□□□□ □□□	1	2	3	4	5
14. I do not feel that the work I do is appreciated. □□□□□ □□ □□□□□ □□□□□□ □□ □□ □□□□□	1	2	3	4	5
15. My efforts to do a good job are seldom blocked by red tape □□ □□ □□□□□ □□□□ □□□□ □□□□□□ □□□□ □□□□□□	1	2	3	4	5
16. I find I have to work harder at my job because of the incompetence of people I work with □□□ □□□□□□ □□ □□□ □□□□□□ □□ □□□□ □□□ □□□□ □□□□□□ □□□□□	1	2	3	4	5
17. I like doing the things I do at work □□□□□□ □□□□ □□□□□□	1	2	3	4	5
18. The goals of this organization are not clear to me □□□□□ □□□ □□ □□□□□ □□ □□□ □□□□□	1	2	3	4	5
19. I feel unappreciated by the organization when I think about what they pay me □□□□□□ □□□ □□□□ □□□□□ □□□ □□□□□/□□□□ □□ □□□□ □□□ □□□□□□	1	2	3	4	5
20. People get ahead as fast here as they do in other places. □□ □□□□ □□ □□□□□ □□□□□ □□□ □□□ □□□□ □□□□.	1	2	3	4	5
21. My supervisor shows too little interest in the feelings of subordinates □□□□ □□□□□ □□□□□ □□□ □□ □□□□	1	2	3	4	5
22. The benefit package we have is equitable □□□□□□□ □□□□/ □□□□ □□□□□ □□	1	2	3	4	5
23. There are few rewards for those who work here □□□ □□□□□ □□□□□ □□□□□ □□	1	2	3	4	5
24. I have too much to do at work □□ □□□□ □□□□□□□ (□□□□□ □□□□)	1	2	3	4	5

25. I enjoy my coworkers □□□□□□□□□□ □□ □□□□□□ □□□□□ □□	1	2	3	4	5
26. I often feel that I do not know what is going on with the organization □□/□□ □□ □□□□□□□□ □□□□□ □□□□ □□□□□□	1	2	3	4	5
27. I feel a sense of pride in doing my job □□□ □□ □□□□□□ □□□ □□□□□□	1	2	3	4	5
	1	2	3	4	5
28. I feel satisfied with my chances for salary increases □□□□□ □□□□ □□□□ □□□□□ □□□□ □□□□□□	1	2	3	4	5
29. There are benefits we do not have which we should have □□□□ □□□□□□ □□□□□□□□ □□□□ □□ □□ □□ □□□□□□	1	2	3	4	5
30. I like my supervisor □□□□□□ □□□□□□□	1	2	3	4	5
31. I have too much paperwork □□ □□□□□□ □□ □□□□□	1	2	3	4	5
32. I don't feel my efforts are rewarded the way they should be □□□□□□ □□□□ □□□□□□ □□□□□ □□□□□ □□ □□ □□□□□□	1	2	3	4	5
33. I am satisfied with my chances for promotion □□□□□□ □□□□□□ □□□□ □□□□□□	1	2	3	4	5
34. There is too much disputing and fighting at work □□□□ □□ □□ □□ □□ □□ □□ □□	1	2	3	4	5
35. My job is enjoyable □□□□ □□□□□□ □□	1	2	3	4	5
36. Work assignments are not fully explained □□□□ □□□□ (□□□□) □□ □□□□ □□□□ □□□□□□□	1	2	3	4	5

Disagree Strongly	Disagree Somewhat	Neutral	Agree Somewhat	Agree Strongly

37. I have to do lots of work in this job □□□ □□ □□ □□□ □□ □□□□	1	2	3	4	5
38. In this job, the available instructions related with the job remain unclear and insufficient □□□ □□ □□□□□□ □□□□ □□□ □□ □□ □□□□□	1	2	3	4	5
39. It is not clear that which type of work behavior is expected from me by higher authority and co-workers □□□□ □□□□□□ □□□ □□□□ □□□ □□□□□□□ □□□ □□□/ □□□□ □□□ □□□□□	1	2	3	4	5
40. In this job, there is sufficient opportunity to develop ability and skill □□□ □□ □□ □□□□□ □□□□□ □□□□□ □□ □□□□ □□	1	2	3	4	5
41. Authorities do not interfere in my work area and method of work □□□ □□□□□ □□□□□ □□□ □□ □□□□□□ □□□ □□□□ □□□	1	2	3	4	5

2. NIB's **Job characteristics** (Please circle one number for each statement)

3. Organizational Commitment Questionnaire (OCQ)(Please circle one number for each statement)

	Disagree Strongly	Disagree Somewhat	Neutral	Agree Somewhat	Agree Strongly
42. I am willing to put in a great deal of effort beyond that normally expected in order to help this company be successful. □□□ □/□□ □□□□□□ □□□□□□□ □□□ □□□□□□ □□□□ □□	1	2	3	4	5
43. I talk up this company to my friends as a great company to work for	1	2	3	4	5

□□□□□□ □/□□ □□□□ □□□□ □[1]□□□ □□□□□□

44. I feel very little loyalty to this company. □□□ □/□□ □□□ □□□□ □□□ □□	1	2	3	4	5
45. I would accept almost any type of job assignment in order to keep working for this company. □□□ □/□□ □□□□□□ □□□□□□ □□□□□□ □□□□□□ □□□ □□□ □□□□□□	1	2	3	4	5
46. I find that my values and the company's values are very similar. □□□□□□ □□ □□ □□□ □□□□□ □□ □□□□□□□	1	2	3	4	5
47. I am proud to tell others that I am part of this company. □□□ □□□□□□ □□□□ □□□□ □□□ □□□□□	1	2	3	4	5
48. I could be just as happy working for a different company as long as the type of work were similar. □□□□□□ □□ □□ □□□□ □□□ □□ □□□□	1	2	3	4	5
49. This company really inspires the very best in me in the way of job performance. □□□□ □□□ □□□□□ □□□□ □□	1	2	3	4	5
50. It would take very little change in my present circumstances to cause me to leave this company. □/□□□ □□□□□ □□□ □□□□□ □□ □□ □□□□□	1	2	3	4	5
51. I am extremely glad that I chose this company to work for, over others I was considering at the time I joined. □□□ □□□□ □□ □□□□□ □□□□ □□□□□□ □□□ □□□□ □□□□	1	2	3	4	5
52. There's not too much to be gained by sticking with this company indefinitely. □□□ □□□□ □□ □□□□ □□ □□□□□ □□□□□ □□□ □□□□□□ □□□ □□□	1	2	3	4	5
53. Often, I find it difficult to agree with this company's policies on important matters relating to its employees. □□□□□ □□□□□□ □□□ □□□ □□□□ □□□□□□ □□□□□□□□	1	2	3	4	5
54. I really care about what happens to this company. □□□ □/□□ □□□□□ □□□□□□□ □□□□□ □□□ □□ □□□□ (□□□□□□)	1	2	3	4	5

55. For me this is the best of all possible companies for which to work. □□□ □□□□ □/□□□ □□ □□ □/□□ □□□ □□	1	2	3	4	5
56. Deciding to work for this company was a definite mistake on my part. □□□ □/□□ □□□□□ □□□□ □□□□□ □□□□ □□	1	2	3	4	5

4. NIB's **Intention to leave** (Please circle one number for each statement)

	Disagree Strongly	Disagree Somewhat	Neutral	Agree Somewhat	Agree Strongly
57. I intend to leave the organization in the next 12 months. □□□□□ 12 □□□ □□□ □/□□□ □□□□□ □□□□□	1	2	3	4	5
58. I feel strongly about leaving the organization within the next 12 months. □□□□□ 12 □□□ □□□ □□□□ □□□□□ □□□□ □□□□ □□□	1	2	3	4	5
59. It is very likely to leave the organization in the next 12 months . □□□ □□□□□ □□ □/□□□ □□□ 12 □□□ □□□ □□□□□	1	2	3	4	5

5. External Jobalternatives (Please circle one number for each statement)

	Disagree Strongly	Disagree Somewhat	Neutral	Agree Somewhat	Agree Strongly
60. I have only little probability in getting an acceptable alternative to my job post. □□□ □□□ □□□ □□□ □□□□ □□□□ □□ □□ □□□	1	2	3	4	5

61. There is adequate planning of corporate objectives □□□□□ □□□ □□□□□ □□ □□□ □□	1	2	3	4	5
62. If I search for an alternative job within a year, there are high chances I can get an acceptable job. □□□□ □□ □□□□□ □□ □□ □□□□ □□□□□ □□□ □□□	1	2	3	4	5

63. In your opinion tick 4 factors that influence employee turnover in the bank

a) Low salary

b) Lack of commitment

d) Lack of promotion

e) Lack of social support.

f) Others mention ……...

…….