



ASSESSMENT OF PROFESSIONAL EMPLOYEES TURNOVER AND RETENTION PRACTICE THE CASE OF WEGAGEN BANK S.C

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A PROJECT PAPER
SUBMITTED TO THE SCHOOL OF COMMERCE OF ADDIS
ABABA UNIVERSITY IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN
HUMAN RESOURCE MANAGEMENT (MA)

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ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
MA-PROGRAM

MAY 2015
ADDIS ABABA

**ASSESSMENT OF PROFESSIONAL STAFF TURNOVER AND RETENTION PRACTICE
THE CASE OF WEGAGEN BANK S.C**

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Declaration

I, the undersigned, declare that this thesis entitled is my original work, under the guidance and suggestion of the research advisor and that all source materials used for the study have been duly acknowledged. It is offered for the partial fulfillment of the degree of MA in Human Resource Management. This study has not been submitted for any degree in this university or any other university

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ACKNOWLEDGEMENTS

I would like to take the opportunity to sincerely thank those who helped me finish the research successfully. First of all, I deeply appreciate my advisor Tesfaye Debela (PhD) for his professional assistance, patience and understanding enabled for the completion of this study. Besides, thanks to Wegagen Bank and all the staff who showed their willingness to give me the necessary data. I will never be able to complete the research without their cooperation. I am grateful for their contributions. Finally, I would like to extend my gratitude to those who provide direct and indirect support to help me complete my research.

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ACRONYMS

WB = Wegagen Bank

CIPD = United Kingdom based Chartered Institute of Personnel & Development

HRM = Human Resource Management

HR= Human Resource

SPSS= Statistical Package for the Social Sciences

E.C = Ethiopian Calendar

ABSTRACT

The research work has been undertaken with the objectives of assessing factors of professional employee's turnover and the retention mechanisms in Wegagen bank S.c and offering suitable suggestions to control and prevent turnover of employees. Data was gathered from Head office and city branches located in Addis Ababa. Descriptive research design was used in this study and proportionate stratified random sampling has been used to select the samples. Both qualitative and quantitative method are employed in the present study. Primary data were collected using five point likert scale questionnaires and 205 respondents were properly filled and returned. In addition, interview was conducted with management of the HR department. Software that has been used for data analysis is SPSS version 20.0. Frequency and percentage method has been administered to analyze profile of respondents. Descriptive statistics such as mean and standard deviation was used to assess the facets of professional employee's turnover intention. The researcher has found perceived alternative opportunities, job satisfaction, pay and benefit package and leadership to be factors for professional employee's turnover in Wegagen bank. The study has given suitable suggestions to control and prevent professional employee's turnover in Wegagen bank S.c.

Key words: Professional employee, turnover intention, retention, Wegagen bank,

CHAPTER ONE

INTRODUCTION

This chapter describes background of the study, problem statement, and research questions of the study, objectives of the study, scope of the study, significance of the study and limitations of the study.

1.1 Background of the study

Human resource is considered the center of all development processes of economy. However, today's competitive business scenario is deteriorating social conditions of human resources, hence causing employee turnover (Shukla, and Sinha, 2013). Professional employees' turnover is an important and pervasive feature of the labor market. Labor turnover affects both workers and the organizations. Workers experience disruption, the need to learn new job-specific skills and find different career prospects. Organizations suffer the loss of job-specific skills, in performance of organization and incur the costs of hiring and training new workers. (Benedict, et al., 2012) defined Labor turnover as the rate at which an employer gains and losses employees. Simple ways to describe it are "how long employees tend to stay in the organization".

According to (Gul, et al., 2012), the rate of turnover varies from company to company. The highest level of turnover normally found in private sectors than public sectors. The levels of turnover also vary from region to region. The highest rates are found where unemployment rate is lower and where it is easy for people to get alternative employment Turnover is a serious and costly problem but it is rarely seen as such by the people who could take action to prevent it. In broader sense, turnover refers to the movement of into and out of the organization.

Employees leave organizations for all sorts of reasons. Some find a different job, some go back to school, and some follow a spouse who has been transferred out of town. Others retire, get angry about something and quit on impulse, or never intended to keep working after earning a certain amount of money. Still others are fired or laid off, or they come into money (a lottery win, an inheritance) and decide they no longer need a job (Allen, 2008).

Other reasons employees leave include unhappiness with the work, inadequate compensation, unsafe and unhealthy conditions, unrealistic expectations, inappropriate processes or tools, and poor candidate screening, lack of career opportunities and challenges, dissatisfaction with the job-scope or conflict with management (Jackson, 1981; Stear, 1991 as cited by Benedict, et al., 2012)

Turnover can be categorized as voluntary or involuntary as well as functional or dysfunctional, (Branham, L, 2005), and each type of turnover can have varying effects on the organization.

Employee departures (voluntary turnover) cost a company time, money, and other resources. A growing body of research links high turnover rates to shortfalls in organizational performance. Likewise, reducing turnover rates has been shown to improve sales growth and workforce morale. In addition, high-performance HR practices (including reduction of dysfunctional turnover rates) increase firm profitability and market value (Allen 2008).

Sometimes employee turnover benefits organizations positively. This might happen when a poor performer is replaced by a more skilled employee and when a retired employee replaced by a younger one. However, as most scholars have discovered, employees' turnover can result in severe negative consequences for the organization (Abbasi and Hollman, 2000).

Turnover could be minimized through considering different preventive measures by the management. These may include providing training to the line managers for an effective supervision before appointing or upgrading them, providing security of jobs with good working environment etc. There may be an offer for re-training the existing managers who have a poor record at keeping their staff happily. Supervising managers could be accountable for employee turnover in their teams. Maximization of opportunities for individual employees such as accommodate individual preferences on working hours, regular appraisals, providing as much job security as possible can help to reduce turnover (Hutchinson and Purcell, 2003)

In Ethiopia after the fall of Dergue regime the banking sector had started to flourish and currently there are about nineteen banks (and a NBE) most of which are private share companies. Wegagen Bank is one of the privately owned banks which started operation on June 11, 1997 with a subscribed capital of birr 60 million and a paid-up capital of birr 30 million. The number of shareholders reached 2,130 while the total capital (including paid up capital, share premium and legal reserves) reached over birr 1.5 billion as at March 31, 2012. The Bank envisions becoming the most preferred bank in Ethiopia. The bank tries to provide a wide range of quality service through a dynamic workforce and up-to-date IT solutions to satisfy the desires of all stakeholders.

Currently Wegagen Bank has about 2,575 employees as of Dec 31, 2014. These employees are spread between two sets of geographically separated groups: city branches including the head office retains about 1,466 employees which covers 56.93% of the total number of employees. Outline/regional branch employees are 1,109 and this covers 43.07% of the total number of employees.

Table 1.1 Manpower structure of the Wegagen Bank

Location of employees	Clerical employees		Non-clerical employees		Total	
	Count	%age	Count	%age	Count	%age
Head office	285	20.68%	276	23.06%	561	21.79%
City branches	526	38.17%	379	31.66%	905	35.14%
Outlying branches	567	41.15%	542	45.28%	1109	43.07%
Total	1378	100%	1197	100%	2575	100%

Source: Wegagen Bank Annual report 2014

As far as the researcher's knowledge there are no empirical studies conducted on Wegagen Bank to study professional employee's turnover and retention mechanisms. Therefore, this study investigates factors of professional employee's turnover intention and its management or retention mechanism in the WB.

1.2 Statement of the Problem

The goal of every organization is to make high productivity, profit (especially if it is a profit-oriented organization), and render good quality of services. These goals can be realized only with employees' efforts, supports and contributions. This is because employees are partly responsible for the achievement of organization's goals and strategy. However, when these employees are thinking of quitting or leaving (i.e., turnover intention) the jobs and the organization, the aims and objectives of the organization might not be achieved. This is because turnover intention is a negative job attitude that could results to employees' turnover (i.e., loss of employee).

Loss of employees may have a detrimental effect on the organizational performance, productivity, and effectiveness. It may also increase the recruitment, selection, and training cost and increase the workload of the remaining employees in the organization (Balogun and Olowodunoye, 2006)

According to (Allen, 2008) in SHRM foundation Guide to Analyzing and Managing Turnover "Turnover matters for three key reasons: it is costly, it affects a business's performance and it may become increasingly difficult to manage." Employee departures affect organizations in terms of measurable financial costs as well as intangible knowledge-based and productivity costs.

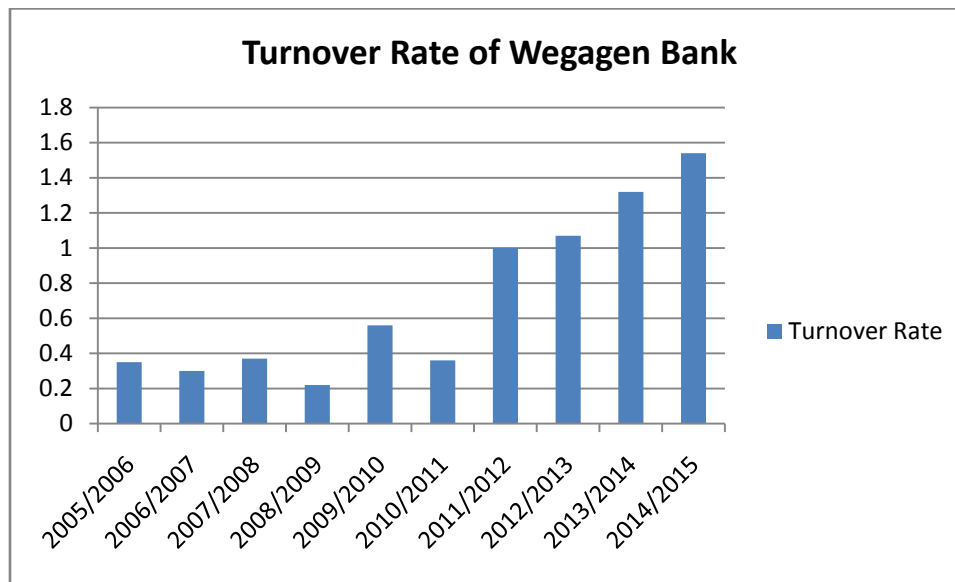
Various researchers have conducted different researches to identify the causes of staff turnover in the banking sector and forward possible retention strategies. (Balogun and Olowodunoye, 2006) conducted a study in Nigerian bank, the result of the study show that job satisfaction, social support, and emotional intelligence significantly and independently predicted turnover intention among bank employees. Furthermore, the results showed that the three psychological factors (i.e., job satisfaction, social support, and emotional intelligence) had a joint influence on turnover intention. According to, (Islam and Zaman, 2013) in context of Bangladesh Commerce Bank Ltd. Employee motivation and job security has influence on job satisfaction and if employees are satisfied, they intend to stay in the organization. Effective communication can create an atmosphere of communication satisfaction that can foster low employee turnover intension in the First Bank of Nigeria (Nwagbara et.al, 2013).

Work Environment, Job Stress, Compensation (Salary), Employee relationship with management and Career Growth significantly influenced employee turnover in banking sector (Shukla, and Sinha, 2013).

In the case of Ethiopia several published researches has been done on issues of turnover. One of the study is conducted by (Kumar, 2011) on Arbaminch textile factory and his study shows that the turnover of employees is mainly due to low salary, poor work place relationship, lack of training, lack of recognition of job, lack of evaluation of job performance, lack of proper direction, lack of promotion and participation in decision-making. Moreover, it is also tested and proved that turnover is more from experienced, high performing male employees. Another study, which was conducted on Haramaya University, concluded that, intention to leave is higher among female staff, and significantly affected by role conflict and overall satisfaction (Mulu, 2014). On the other hand, the turnover intentions among the male academic staff were influenced by organizational commitment and overall satisfaction level. However, the effect of the overall satisfaction on the intention to leave is stronger among the female academic staff compared to the male (Mulu, 2014).

Employee's turnover is frequent and it is becoming series issue in Wegagen Bank. The following figure shows the rate of turnover that the organization is facing since 2005 EC.

Figure 1.1 Trend of turnover at Wegagen Bank



Source: Wegagen Bank HR administration reports 2005-2015

Most of the time employee's turnover has a negative impact to the organization performance. in the bank when a new employee is hired he is going to need some time to adopt to his work, to the organization culture, to the work environment and also to establish good communication with the customers.

The new employee also needs training and this will create additional training cost for the organization and a workload for the existing employees. Anecdotal information also suggest that turnover cause problems in succession planning that means lack of qualified employees in order to replace the experienced and well trained employees. The other observed problem caused by employee turnover in the bank is, the increased cost of recruitment. The recruitment cost includes advertizing, interviewing, testing & telephone costs used to call a pool of applicants.

A general argument provided by the management is that better employment opportunity, job satisfaction, low salary scale, inadequate benefit packages, work place conflict and supervision/leadership style as the main cause of the prevailing turnover in the bank. However, as far as the researcher's knowledge no research has been carried out to investigate

the root causes of turnover and forward possible employee retention strategies in Wegagen Bank S.C. Thus, the present study is an attempt to cover this information gap concerned with the root causes of employee turnover in Wegagen Bank S.C.

Basic/research questions

1. Is personal factor a factor for professional employee's turnover intention in Wegagen Bank?
2. Are perceived better employment opportunities a factor for professional employee's turnover intention in Wegagen Bank?
3. Is job satisfaction a factor for professional employee's turnover intention in Wegagen Bank?
4. Is pay and benefit packages a factor for and professional employee's turnover intention in Wegagen Bank?
5. Is leadership a factor for professional employee's turnover intention in Wegagen Bank?
6. Is working environment a factor for professional employee's turnover intention?
7. Does Wegagen Bank have any retention mechanism?

1.3 Objective of the study

1.3.1 General Objectives

The general objective of the study is to identify the root causes of professional staff turnover intention in Wegagen Bank S.C.

1.3.2 Specific objectives

The research specifically deals with achieving the following specific objectives:

1. To identify if personal reasons and problems are a factor for employee turnover intention in WB.
2. To investigate if perceived better opportunities are a factor for employee turnover intention in WB.
3. To investigate if job satisfaction is a factor for employee turnover intention in WB.

4. To investigate if pay and benefit packages are factors for employee turnover intention in WB.
5. To investigate if leadership/supervision is a factor for employee turnover intention in WB.
6. To investigate if working environment is a factor for employee turnover intention in WB.
7. To investigate the retention mechanisms Wegagen Bank implements.

1.4 Significance of the study

The paper would help for increasing the experience or knowledge of the researcher in the field of research, because while conducting the study there was an opportunity for reading different books, search different websites and research on similar or related topics conducted before. The study also contributes to other researchers as a reference or guidelines who want to conduct on the similar or related topics, in order to conclude and recommend on the problems by using this study as a springboard. The other contribution of the study would be to the organization because the findings, conclusions and recommendations by the researcher help to reduce turnover by avoiding the cause before it happen.

1.5 Delimitation

Employees' turnover is broad in the sense it comprises voluntary and involuntary turnover. The study however will only address voluntary professional staff turnover of the organization. They are generally three factors for employee turnover; environmental, individual and organizational factors. Among them, the study only considers only organizational factors and individual factors. The environmental factor and other extraneous variables are out of the scope of this research. Therefore, this research assessment is limited to only the organizational factors and personal factors that cause employee to leave the organization. The researcher only selected one bank from the banking industry of Ethiopia for this study that is Wegagen bank s.c.

1.6 Limitations of the study

The main problem experienced by the researcher was the refusal by some respondents to complete the questionnaire. Some respondents were not willing to cooperate even after they were shown a letter that gave permission to the researcher to conduct the study at the bank. The process of collecting the questionnaire proved to be challenging because some respondents failed to complete the questionnaire on time and the researcher spent a considerable amount of time visiting employees work areas to follow up on the collection of the questionnaires. Despite, these adequate numbers of questionnaires were returned to make the study valid. In conclusion, it is recommended that these all aspects should be considered for further future researchers.

1.7 Organization of the Paper

The research paper was organized as follows, chapter one presents an introduction including background of the study, statement of the problem, basic research question, objective of the study, significance of the study and scope of the study. Chapter two includes brief literature reviews on staff turnover and its impact. Chapter three provides the research design and methodology whereas, chapter four summarizes the results/findings of the study along with the discussion of the findings. Finally, chapter five deals about major findings, conclusion, and recommendations and provides future research directions.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

2.1 The Process of Disengagement

Employee turnover is not an event — it is a process of disengagement that can take days, weeks, months or even years until the actual decision to leave occurs (Branham, L, 2005).

According to (Branham, L, 2005), several sequential and predictable steps can unfold in the employee's journey from disengagement to departure. These are:

- Start the new job with enthusiasm
- Question the decision to accept the job
- Think seriously about quitting
- Try to change things
- Resolve to quit
- Consider the cost of quitting
- passively seek another job
- Prepare to actively seek
- actively seek
- Get new job offer
- Quit to accept new job, quit without a job, or stay and disengage

Many managers are so busy or preoccupied that they wouldn't notice where their employees were in the continuum if they wore signs around their necks that proclaimed "Trying to Change Things!" or "Becoming Less Engaged Every Day!" Managers need to better understand the signs of discontent before they lose their best and brightest people.

2.2 Definition of Turnover

Employee turnover is the “rotation of workers around the labor market; between firms, jobs and occupations; and between the states of employment and unemployment” (Abassi and Hollman, 2000).

‘Turnover’; means voluntary cessation of membership of an organization by an employee of that organization. (Morrell, et al., 2001).

The term is often utilized to measure relationships of employees in an organization as they leave, regardless of the reason. Labor turnover also relates to the movement of human resources within organizations where employees move from job to job, through transfer, promotion or relocation (Zuber, 2001).

Tette and Meyer (1993 cited in Khan, 2014) defined it as “Conscious willingness to seek for other alternatives in other organizations”

labor turnover, is the movement of employees in and out of a business, measures the extent of change in the work force due to accession (total number of workers added to employment) and separation (severance of employment at the instance of workers or employers) during a particular period of time. labor turnover is an important parameter, which indicates the overall health of an industry or an establishment in terms of wages, industrial relations, working conditions, and other welfare facilities provided to the workers (Tekleab, Bartol and Liu 2005)

According to Michael Armstrong in his Armstrong’s Handbook of Human Resource Management and Practice (2009), “employee turnover (sometimes known as ‘labor turnover’, ‘waste’ or ‘attrition’) is the rate at which people leave an organization” To this end, employee turnover is the rate at which employees or people leave or enter employment. It can be disruptive and costly for an organization.

(Mondy, 2010) provides another definition turnover mean voluntary cessation of membership of an organization by an employee of that organization. Another study suggests that

employee turnover is the rotation of workers around the labor market, between different companies, occupations and jobs and between states of employment and unemployment.

2.3 Employee Turnover intention

Turnover intention is defined as an employee's intent to find a new job with another employer within the next year. Employee turnover intention is the rate at which people (employees) want to leave an organization (Nwagbara, et al., 2013). (Schwepker 2001) noted that positive and statistically significant relationships have been reported in dozens of studies exploring leaving intentions and actual leaving behavior. In other words, intention to leave a job is an immediate precursor to actually leaving.

One of the main goals of turnover research is to measure actual employee turnover; however, employee turnover data is often inaccessible to researchers. Frequently, this data is unavailable because it is not accurately or consistently collected. Thus, researchers must rely on employee turnover intention as a proxy for actual employee turnover. After all, stated (Lambert, et al., 2001), measuring turnover intention is the next best method, because it is the variable that consistently and immediately precedes actual employee turnover. Throughout this paper, employee turnover and turnover intention will be used interchangeably

2.4 Definitions of employee retention

(Frank, et al., 2004) define retention as “the effort by an employer to keep desirable workers in order to meet business objectives” (Artz, 2010). Retention is the ability to hold onto those employees you want to keep, for longer than compared to your competitors (Johnson, 2000 as cited by Fatima, 2011). Retention is considered as multifaceted component of an organization's human resource policies. It begins with the hiring of right people and persists with working agendas to keep them involved and devoted to the organization (Freyermuth, 2004 as cited by Fatima, 201)

Retention is a voluntary move by an organization to create an environment, which engages employees for long term (Samuel and Chipunza, 2009). The main purpose of retention is to

prevent the loss of competent employees from the organization as this could have adverse effect on productivity and service delivery. However, retention of high performing employees has become more challenging for managers as this category of employees frequently move from one job to another as they are being attracted by more than one organization at a time.

Employee retention is a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements (Mehta, et al., 2014).

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their job. It involves taking measures to encourage employees to remain in the organization for the maximum period. Hiring knowledgeable people for the job is essential for an employer. Nevertheless, retention is even more important than hiring (Hong, et al., 2012).

2.5 Causes of Employee Turnover

Employees voluntarily resign their appointments in organizations for various reasons which can be classified into two: pull and push factors. Push motives are related to dissatisfaction with one's current work situation, whereas pull refer to available opportunities to improve one's career opportunities on the external labor market. Recent research strongly suggests that push factors are a great deal more significant in most resignations than most managers appreciate (Loquercio, 2006). It is relatively rare for people to leave jobs in which they are happy, even when offered higher pay elsewhere. Most staff has a preference for stability".

(Hana and Lucie, 2011) also gave a detailed explanation on different organizational factors that cause employees turnover. In their research, they concluded that the major factors for employee turnover are remuneration, certainty, relationships, recognition, communication, culture and expectations. By reviewing different literatures, the researcher found the following factors to be the most studied causes of turnover.

2.5.1 Work Environment

Basic working conditions like relationship with colleagues, clean workroom, proper lighting, furniture, heating, air circulation and noise and office equipments are some of the major constituents of work environment which influences job satisfaction and is one of the major reasons due to which an organization experiences an employee's turnover (Bilal, H, 2012; Kebriyai and Moteghedhi, 2009). Organizational instability has been shown to have a high degree of high turnover. Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organizations where there was a high level of inefficiency, there was also a high level of staff turnover (Alexander et al., 1994 as cited by Shukla, and Sinha, 2013).

2.5.1.1 Working Environment and Turnover Intention

According to (Shukla, and Sinha, 2013) main causes of turnover are salaries, working environment and security of job. Turnover particularly arises from unhappiness from job place. In contrary employee also pushed to leave job due to the dissatisfaction in their present workplace According to (Callier, H 2011 as cited by Adugna, 2014), less than expected level of organizational physical environment of employees switch the employees towards job dissatisfaction or increase the level of employee's turnover rate. In contrary from the above mentioned studies, , satisfaction with social status, satisfaction with supervision, satisfaction with working condition and satisfaction with recognition found to be unimportant factors for employee turnover of private sector schools of Charsadda (Nazim and Baloch, 2007).

2.5.2 Pay and Benefit Packages

According to (Shaw, et al., 1998) pay is something given in exchange for services rendered in an organization. It has an important role in retaining & rewarding high quality employees but at the expense of the overall labor costs for any organization. Pay has a strong determination to job satisfaction. Organizations provide various forms of rewards to employees in exchange for their contribution to the goals of the organization.

According to equity theory, pay satisfaction is based on perceptual and comparative processes (Adams, 1963; Lawler, 1990; Lum et al., 1998 as cited by Loncar, 2010). Equity theorists posit that employees seek the equilibrium between what they invest or put into their jobs in terms of effort, knowledge and skills, and what they get as an outcome through compensation or recognition (Milkovich and Newman, 2008). Employees perceive what is fair by comparing their work to those with referent others, either internal or external to the organization. Equity is achieved when the input-output ratio of the employee equals that of a referent other.

In addition to equity theory, the literature on organizational justice is pertinent in this review, especially two of its key components used to evaluate fairness: distributive justice and procedural justice (Fassina, Jones and Uggerslev, 2008; Greenberg, 1990; Tekleab, Bartol and Liu, 2005; Van Buren, 2008; Welbourne, 1998 cited by Loncar, 2010). Distributive justice applies to the fairness of the outcome or, in the current study, the amount paid/pay level. Procedural justice is a process-oriented construct used to evaluate the fairness of methods and appraisal systems, such as rules and procedures that are implemented to determine the amount paid (Miceli and Mulvey, 2000; Singh, Fujita and Norton, 2004), or in this study, the organization's pay structure/administration, pay raises, and benefits determination. (Tekleab, Bartol and Liu 2005) found that distributive justice mediates the relationship between the overall pay satisfaction and satisfaction with pay level and pay raise, while procedural justice was a strong predictor of pay raise.

Employee benefits are elements of remuneration given in addition to the various forms of cash pay. Fringe benefits can act as valuable substitutes for wages and employers may choose to offer fringe benefits since workers can have strong preference for fringe benefits. Decreasing the prevalence of turnover as effectively as an equivalent valuable increases in wages Benefits can demonstrate to employees that a company is supportive and fair (Lockhead and Stephens, 2004). In addition, there is evidence to suggest that stable benefits are at the top of the list of reasons why employees choose to stay with their employer or to join the company in the first place (Artz, 2010). Benefits that create more favorable attitude on organizational performance in the longer term can be divided into the following categories: Pension Schemes, personal security, financial assistance, personal needs, company cars and petrol (Armstrong and Murlis, 2007).

2.5.2.1 Pay and Benefit Packages and Turnover Intention

Employees leave their work position due to low pay this may include remuneration, benefits, imbalance between performances and reward (Hana and Lucie, 2011). Retirement benefits were found to be directly related to turnover intentions in Pakistan Overseas Foundation (Khan, 2014). (Griffeth, et al., 2000) noted that pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa.

(Loncar, 2010), in his study found that pay satisfaction to be negatively related to turnover intent. (Owence, et al., 2014) found that perception of inequitable and non-competitive compensation and benefits scheme to be one the major factors for employee's departure from their work.

Another study conducted on Nigerian Bank concluded that job satisfaction and working environment has a significant effect on employee's turnover intent whether there is a salary compensation or not (Shukla, and Sinha, 2013).

Despite the importance of salaries, many health professionals in Malaysia stated that other factors, such as job satisfaction and working conditions, were more important and the salary on its own would not retain them (Van Dormael, Dugas, Kone, Coulibaly, Sy and Desplats, 2008 as cited by Mrara, 2010).

2.5.3 Perceived Alternative Opportunity

Another possible predictor of turnover intentions is perception of alternative job opportunities among the employees (Rahman, et al., 2008). Perceived alternative employment opportunity, also known as perceived ease of movement, it is the perception of the availability of job alternatives (Luthans, 1995) as cited by (Arokiasamy, 2013). This perception is an uncontrollable factor because it is closely associated with the external environment, such as availability of job vacancies and unemployment rate (Lee & Mitchell, 1994 as cited by Ut Lon, 2011). In addition

to the market condition, educational background may affect the perception too. Higher educated workforce may consider their qualification as a competitive advantage over less educated workforce by having more choices of alternative positions (Arokiasamy, 2013).

2.5.3.1 Perceived Alternative Opportunity and Turnover Intention

Numerous studies acknowledged that the perception of job opportunities triggers the turnover intention (Spector et.al 1987 as cited by Arokiasamy 2013). While actual alternatives appear to be a better predictor of turnover, there is also well-established evidence of the link between perceived alternatives and actual turnover. In their most recent meta-analysis, (Griffeth, et al., 2000) confirmed that perceived alternatives modestly predict turnover. Other researchers such as (Rahman, et al., 2008), (Hwang and Kuo, 2006) and (Dardar, et al., 2012), also suggested a positive relationship between alternative job and job turnover.

2.5.4 Job Satisfaction

Like employees of other organizations, bank employees also give different evaluation of the job they do. The outcome of the evaluation reveals whether the job is satisfying or not. Job satisfaction is a positive emotional state resulting from the appraisal of one's job or reactions to work experiences, how workers feel about their jobs, aspect of their jobs, and work situations (Landy and Conte, 2004). Job satisfaction is the extent to which a worker feels positively or negatively about the internal and/or external domain of his/her job (Bhuan and Menguc, 2002) or the contentment and enjoyment employees felt on their job. Satisfaction on a job might be motivated by the nature of the job, its pervasive social climate and extent to which workers peculiar needs are met.

Research has shown that more satisfied employees are more engaged in their work, while less satisfied employees are less engaged. Lower levels of engagement are associated with employee withdrawal, particularly in terms of voluntary turnover. Therefore, it is accepted that job satisfaction and employee turnover intention are inversely related (Lambert, et al., 2001).

Working conditions that are similar to local and international standard and extent to which they resemble work conditions of other professions in the locality (Shahi, 2012). Other

inclusions are the availability of power and status, pay satisfaction, promotion opportunities, job security, organizational support, recognition and of flexibility in scheduling and task clarity. If any employee is not being motivated by the factors, quitting tendency is observed (Bolarin, 1993; Gemenx henandez, Max, Kosier, Paradiso and Robinson, 1997 as cited by Shahi, 2012).

2.5.4.1 Job Satisfaction and Turnover Intention

Many studies conducted in different settings found a significant negative correlation between the facets of job satisfaction and turnover intention. (Rahman, et al., 2008) found that job satisfaction had negative effect on turnover intentions of IT professional. (Griffeth, et al., 2000), (Khatri and Fern, 2001) and (Samad, 2006) found a moderate relationship between job satisfaction and turnover intentions. Meta analysis results indicate relatively consistent negative correlations between job satisfaction and turnover (Griffeth, et al., 2000) and (Brough and Frame, 2004) also agreed that job satisfaction is a strong predictor of turnover intentions. Steven and John conducted a study to assess job satisfaction facets and turnover intention of software developers. They took nine facets of job satisfaction in order to see its impact on turnover intention. Turnover intention showed a significant negative correlation with all job satisfaction facets: pay, promotion supervision, benefits, rewards, working condition, workers nature of work, communication.

2.5.5 The Person

In addition to the factors listed above, there are also factors specific to individual that can influence turnover rates. According to (Owence, et al., 2014) these include both personal and trait-based factors. Personal factors include things such as changes in family situation, a desire to learn a new skill or trade, or an unsolicited job offer. In addition to these personal factors, there are also trait-based or personality features that are associated with turnover as cited by. These traits are some of the same characteristics that predict job performance and counterproductive behaviors such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production (Kuria, Alice and Wanderi, 2012 as cited by (Owence, et al., 2014).

2.5.5.1 Personal Factors and Turnover Intention

A research conducted on Debre Birhan university by (Adugna, 2014) concluded personal factors which included in the study were not the cause of academic employees' turnover intention except expectation not fulfilled cause academic staff turnover intention. For another university found in Pakistan personal factors had the most significant effect in turnover intention. The most significant reasons in personal factor are difficulty of job, health problem unrealistic expectation for organization, living close to family (employees quit job because they are away from their family) and because of fun (employees quit job because they enjoy in changing job) (Shah, et al., 2010).

2.5.6 Leadership

According to, (Yulk, 2002) leadership is the process by which shared objectives can be achieved through facilitating individual and collective efforts, it is also a process of what and how things can be done effectively by influencing others. Lack of support, particularly from supervisors, decreases workers' ability to cope with their stressful jobs and increases the likelihood that they will leave their jobs (Michal, et al., 2001). According to (Griffeth and Hom, 2001), management researchers have blamed bad supervision as a prime culprit of turnover. Therefore, it is crucial for an organization to develop its managers in order to improve their leadership skills. Research shows that greater participation in decision making is strongly associated with higher levels of job satisfaction and organizational commitment (Mrara, 2010). Since 1990, the majority of leadership research has been focused on the transformational and transactional leadership. (Bass, 1985) further developed transformational and transactional leadership

2.5.6.1 Transformational Leadership

Transformational leaderships are defined as a leader who is able to stimulate, inspire and transform his or her subordinates to strive harder in order to achieve extraordinary outcomes (Martin and Epitropaki, 2001) as cited by (Long, et al., 2012). Transformational leaders ensure their followers' involvement by envisioning attractive future states, displaying optimism and enthusiasm, empowering them to achieve the vision, and providing the resource necessary for developing their personal potential. These leaders motivate and inspire those around them by

providing meaning and challenge to their followers' work. A transformational leader has high performance expectations from subordinates, and as such holds them accountable for doing so. (Dimaculangan, et al., 2012)

2.5.6.2 Transactional Leadership

Transactional leaders are those people who have task oriented objectives and who emphasize on work standards, and take care of time to complete all organizational tasks (Burns, 1978). The followers in turn expect that they will be compensated positively in line with the results generated by them and short-term contingent exchanges are the focus of TRL (Long, et al., 2012). Transactional leadership gives followers clarity about rules and standards to protect the status quo and involves closely in monitoring and correcting followers' errors to ensure short-term success Bass (1985); Bass & Avolio (1995); House (1971) and (Yulk, 2002) as cited by (Gul, et al., 2012). Thus, transactional leadership encourages followers to carry out and understand their work in terms of strategic means stressing rules, responsibilities, expectations, stability, avoiding errors, and a concrete, short-term plan.

2.5.6.3 Leadership and Employees' Turnover Intention

A number of researchers (Long, et al., 2012, Ekong, et al., 2013, Gul, et al., 2012) their studies have generally shown that transformational leadership is the key factor in reducing and mitigating turnover intentions has explored the relationship between transformational and transactional leadership and turnover intention. In the studies undertaken by Martin and Epitropaki, it was found that transformational leadership was contrary related to turnover intentions among employees for several commercial and profit oriented based businesses (Ekong, et al., 2013). another study concluded that there is a significant relationship exist between managerial style and employee turnover and found that Most staff left the organization as a result of their superior approaches in dealing with them (Ekong et.al 2013).

Another study conducted by (Gul, et al., 2012) reveals that respondents were found more inclined towards transformational leadership in regarding their commitment and turnover intentions than transactional leadership. (Mbah and Ikemefuna, 2012) Research revealed that the higher the satisfaction with supervision the lower the employee turnover intention. Moreover, the findings of the study show that supervisors need to provide such an environment to their

subordinate where they can develop themselves personally and professionally. Although many previous studies conclude that leadership styles can affect the followers intention of leaving the organization, this notion is not supported in Long et.al (2012) study, which was conducted in Malaysian College. The study concludes that leadership styles have no significant effect on turnover intention of the academic staff in the education industry.

2.6 Types of turnover

2.6.1 Voluntary Vs Involuntary

Voluntary turnover is when an employee self- willingly makes the decision to leave the organization. When employees leave an organization at their own discretion, it is referred to as voluntary turnover (Noe, Hollenbeck, Gerhart Wright, 2006 as cited by (Arokiasamy 2013). It is initiated by the choice of the employee. Voluntary turnover could be a result of a better job offering, staff conflict, and lack of opportunities in career advancement. According to (Manu, Negrin and Tzafir, 2004) who study voluntary turnover believed it could be affected by a lack of job satisfaction, job stress as well as alternative opportunities.

Involuntary turnover

Occurs when the employer makes the decision to discharge an employee and the employee unwillingly leaves his or her position. (Mathis and Jackson, 2004), define involuntary turnover as “an instance of involuntary turnover, or a discharge” that “reflects an employer’s decision to terminate the employment relationship”. Involuntary turnover could be a result of poor performance or staff conflict.

2.6.2 Functional Vs Dysfunctional

Functional turnover: A turnover in which poor performers leave is called a functional turnover. Functional turnover can be a positive development which gives the organization an opportunity to invigorate itself by finding a more capable substitute (Abdali, 2011).

Dysfunctional turnover: A turnover in which good performers leave is called a dysfunctional turnover this type of turnover is inimical to the organization if appropriate replacements cannot be found (Abdali, 2011).

2.6.3 Avoidable Vs Unavoidable Turnover:

Avoidable turnover: A turnover that happens in avoidable circumstances is called an avoidable turnover. One means of diagnosing the amount of influence organizations have over turnover, is to look at the extent to which decisions to leave are described as voidable by leavers (Campion, 1991). In other words, is it a case of employee instigated turnover that could have been prevented?

Unavoidable Turnover

Unavoidable turnover results from life decisions that extend beyond an employer's control, such as a decision to move to a new area or a job transfer for a spouse. Avoidable turnover is something organizations can prevent by hiring, evaluating and motivating their employees more effectively. It is important to determine whether the organization is dealing with voluntary turnover that could have been prevented. Such information is important as it will direct the organization to the type of intervention needed to enhance the retention of employees (Tang et.al 2002 as cited by Arokiasamy 2013).

2.7 Measuring turnover

According to (Loquercio, 2006), Research suggests that to gain an accurate perspective of internal causes of turnover, it is useful to look at both quantitative and qualitative information. To identify underlying reasons for turnover, qualitative information on the reasons why employees have left is necessary. The UK Chartered Institute of Personnel and Development (CIPD) suggest that it is important employers have an understanding of their rates of labor turnover and how it affect the organization's effectiveness (CIPD, 2004). Loquercio (2006) in his study described different methods used to measure employee turnover rate these are:

2.7.1 Wastage Rates

Typically, organizations use the crude wastage rate for measuring turnover. This calculates the number of leavers in a given period as a percentage of the average number of employees during the same period. To calculate the average number of employees during a given period, organizations often add together the number of employees at the beginning of the period with those employed at the end of the period and divide it by two (IDS, 2004).

2.7.2 Crude Wastage Rate

The simplicity of this measure means there is less risk of different parts of the organization supplying inconsistent data. However, the crude wastage rate has its limitations because it includes all types of leavers - involuntary leavers. A single measure of turnover that does not distinguish between cases where people left because they were dissatisfied and where people left because of ill health or retirement will be inadequate because it treats leavers as a homogeneous group.

2.7.3 Resignation Rates

Another way of measuring turnover is to base turnover rates on voluntary leavers or resignation rates only, thus excluding employees who have left for other reasons such as retirement, redundancy, dismissal or redeployment to another part of the organization. However, basing turnover rates on voluntary leavers can also have its drawbacks because it does not indicate how many staff needs recruiting to cover those employees who have left because of retirement or voluntary internal transfers. One solution is to record separate turnover rates for voluntary and involuntary leavers.

2.7.4 Vacancy Rate

Another approach is to place a greater emphasis on the number of vacancies that need to be filled. The vacancy rate is based on the number of positions an organization actively wishes to recruit to as a percentage of the number of overall employees.

2.7.5 Stability Index

This measure gives an indication of the extent to which experienced employees are being retained. It can be used to calculate the stability of the whole organization or of a particular group of employees. It is usually calculated as the number of employees with one year's service or more as a percentage of the number of people employed a year ago. The formula of stability index is:

$$\frac{\text{Number of employees with one year's service (or more) now} \times 100}{\text{Number of employees one year ago}} = \text{SI}$$

2.7.6 Cohort Analysis

This technique enables an organization to understand service-related leaving patterns by taking the leaving rates of a (usually homogeneous) group of employees who joined at the same time. The resulting leaving rates can be plotted on a wastage or survival curve. Cohort analysis is a useful tool for organizations concerned about turnover costs due to high expenditure on recruitment, induction and training.

2.7.7 Exit Interviews and Surveys

Organizations typically obtain qualitative information on turnover through exit interviews and surveys. However, it is important to appreciate that the reasons people give for their resignations are frequently untrue or only partially true (CIPD, 2004). The use of exit interviews is widespread yet they can be unreliable, particularly when conducted by someone who may later be asked to write a reference for the departing employee.

2.8 Costs of Employee Turnover

Generally, all costs related to the leaving and replacement of employees can be considered as costs of labor turnover. When we consider the consequences of dysfunctional turnover, there are some significant costs attached, these costs can be direct and indirect costs. Direct costs include separation costs, recruitment costs and induction costs, and are easier to calculate. Indirect costs include excessive workload leading to stress, poor staff morale and possibly health problems.

2.8.1 Direct costs

According to (Samuel, M and Chipunza, C, 2013), direct costs include three broad categories: separation costs, recruiting costs and induction costs.

Separation costs: cover the time spent on debriefings and administrative procedures for staff that leave the organization. Costs incurred when a contract is terminated before its planned end-date are obviously more important because all the investment made on training, orientation or travel expenses has to be amortized over a shorter period.

Recruitment cost: Recruiting new staff can be a long process, especially when it involves looking for a specific or experienced profile. Beyond costs related to the positions of recruiters, expenses include advertising the position and filtering, researching and selecting applications, Interviews, tests, medical checks and related costs. In the selection process, the organization will use different mechanisms to select the best-fitted employees for the given job. They may use written examination, interviewees, practical examination and different methods according to the job need. Thus, the selection process is also another cost of turnover.

Induction cost: inducting or orienting staff can also be an expensive process. Beyond deployment-related expenses, most organizations expect new employees to go through a formal induction and handover. During this period, other managers to brief newcomers will invest significant time, and salaries paid for work not directly related to projects.

2.8.2 Indirect Costs

High turnover also has a number of indirect costs. It makes it difficult to preserve institutional memory. It also creates additional work and added stress for remaining staff, leading to a consequent drop in performance until the replacement person is operational.

Loss of employees or employees' turnover can cause psychological distress, reduce productivity, quality of service, and increase recruitment cost. It can also lead to work overload, mistrust, disruption in workflow, and further turnover (Mourad and Mustapha, 2007).

Organization mainly use exit interview to investigate the employees reasons for withdrawing from the organization. In conducting an exit interview, some costs are involved and they must be taken into consideration when calculating turnover costs (Bliss, 2007).

Organizations also suffer productivity loss when an employee quits. When a new employee is hired and trained, (Bliss, 2007) estimates such employee's contribution to the productivity level at 25% for the first 2-4 weeks of employment. Productivity loss is therefore 75% of the new employee's full salary.

2.9 Employee Retention

Employee retention is one of the most critical issues facing organizational managers because of the shortage of skilled workers, economic growth, and high employee turnover (Samuel, M and Chipunza, C, 2013). Retention of employees has various advantages such as, saving cost for further recruitment, fewer training to be conduct for new candidates, improve productivity, increase employee's performance and thus increase profits and meet their organizational goals and objectives (Hong, et al., 2012). Organizations need to identify which positions, profiles and skills are most important to them, and where turnover is most detrimental to their organization. They can then focus on reducing turnover for these selected categories. Employees are more likely to remain with the organization only if they believe that the organization shows more interest and concern for them, if they know what is expected of them, if they are given a role that fits their capabilities, and if they receive regular positive feedback and recognition (Samuel, M and Chipunza, C, 2013). Employees

feel comfortable remaining longer in positions where they are well informed on relevant issues concerning the organization and their well-being. According to Dockel, Basson, and Coetzee as cited by Mubarak, Wahab, & Khan, 2012) compensation, training and development, and promotion are the most important retention factors for skilled employees.

2.10 Employee Retention Strategies

Retention strategies aim to ensure that key people stay with the organization and that wasteful and expensive levels of employee turnover are reduced. They will be based on an analysis of why people stay and why they leave. The reasons why people remain with the organization can be established through attitude surveys. An analysis of why people leave through exit interviews may provide some information but they are unreliable – people rarely give the full reasons why they are going. A better method is to conduct attitude surveys at regular intervals. The retention plan should address each of the areas in which lack of commitment and dissatisfaction can arise. (Armstrong, 2011)

2.10.1 Pay

According to (Armstrong, 2011), problems arise because of uncompetitive, inequitable or unfair pay systems. Possible actions include

- reviewing pay levels on the basis of market surveys;
- introducing job evaluation or improving an existing scheme to provide for equitable grading decisions;
- ensuring that employees understand the link between performance and reward;
- reviewing performance-related pay schemes to ensure that they operate fairly;
- adapting payment-by-results systems to ensure that employees are not penalized when they are engaged only on short runs;
- tailoring benefits to individual requirements and preference;
- Involving employees in developing and operating job evaluation and contingent pay systems

2.10.2 Job design

Dissatisfaction results if jobs are unrewarding in themselves. Jobs should be designed to maximize skill variety, task significance, autonomy and feedback, and they should provide opportunities for learning and growth (Armstrong, 2011).

2.10.3 Reward

Reward is what organizations offer to the employees in response of their performance and effective contributions and at the same time the desires of employees (Agarwal, 1998 as cited by Sheikh and Qamar and Iqbal, 2011). There are various forms of rewards in a corporate environment of the organization, which are cash bonuses, appreciation awards and free commodities. Rewards exerts a long lasting thought on the workers and keeps on demonstrating the worker's opinion that they are appreciated (Silbert, 2005 as cited by Fatima, 2011). Reward system of any organization affects the employee performance and their aspiration to stay employed (Fatima, 2011).

2.10.4 Benefits

The relationship of benefits with retention is another aspect of making people stay is often investigated by researchers. Maccoby (1984) identified the job satisfaction of employees and supervisors of Bell System over a five-year period and found that the employees and supervisors were satisfied with their pay and benefits and were also motivated to work productively (Sinha, 2012).

2.10.5 Career Development Opportunities

Career development includes creating various Opportunities for learning and skills development and consequent advancements in job responsibilities. (Samuel, M and Chipunza, C, 2013) illuminated that Career development opportunities are considered as imperative factors both in organizational and individual context. Other studies stated it as a mutually benefiting process as it provides significant results to both parties, employees and the organization (Hall, 1996; Kyriakidou and Ozbilgin, 2004). In recent researches it is argued that employees have a less propensity to leave only if they feel that they are learning and developing. Conversely they instigate to externally seek for better alternative job opportunity (Rodriguez, 2008 as cited by Mubarak, Wahab, & Khan, 2012).

2.10.6 Work Environment

An organization needs to develop a supportive learning and challenging work environment. creating a stimulating work environment that makes effective use of people's skills and knowledge, allow them a degree of autonomy on the job, provides an avenue for them to contribute ideas, and allow them to see how their own contribution influence the organization's well-being(Lochhead C. and Stephens A. 2004).

Prior studies derived the idea of "learning and working environment" (Abrams et al., 2008; Birt et al., 2004; Bouwmans, 2006; Christiaensen et al., 2009; Kyndt et al., 2009; Van Hamme, 2009; Visser, 2001). It generally relates with the climate where employees can learn and perform. Particularly, support and aspiration at work, stress of work, degree of empowerment and the responsibility that workers acknowledge, alternatives in the job tasks and development, stipulation of challenging and significantly meaningful work and developmental opportunities, are the other concepts that describes the term working environment (Ongori, 2007)

2.10.7 Organizational Commitment

According to (Ongori, 2007), Organizational commitment is an effective response to the whole organization and the degree of attachment or loyalty employees feel towards the organization. Job involvement represents the extent to which employees are absorbed in or preoccupied with their jobs and the extent to which an individual identifies with his/her job (Brooke et al., 1988).The degree of commitment and loyalty can be achieved if management enrich the jobs, empower and compensate employees properly (Ongori, 2007).

2.10.8 Supervision

According to (Armstrong, 2011), A common reason for resignations is the feeling that management in general, or individual managers and team leaders in particular, are not providing the leadership they should, or are treating people unfairly or bullying their staff (not an uncommon situation). As the saying goes, people tend to leave their managers, not the organization. This problem should be remedied by:

- selecting managers and team leaders with well-developed leadership qualities;
- training them in leadership skills and in methods of resolving conflict and dealing with grievances;
- introducing better procedures for handling grievances and disciplinary problems, and training everyone in how to use them;

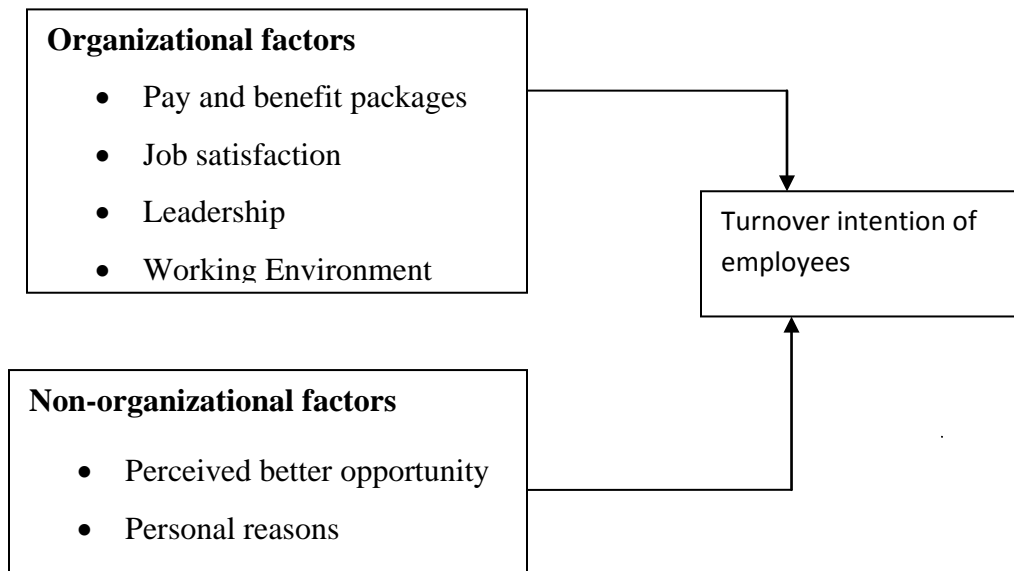
2.10.11 Recruitment, selection and promotion

Rapid turnover can result simply from poor selection or promotion decisions. It is essential to ensure that selection and promotion procedures match the capacities of individuals to the demands of the work they have to do. (Armstrong, 2011)

2.12 Conceptual Framework of the study

To answer, the research questions of this study a conceptual framework is being build that also show possible variables, and relationships between these variables and using previous literature. Based on the overall review of related literatures and empirical studies, the researcher proposed to develop the following conceptual framework for the study. The research study classified the factors in two groups: organizational factors and non-organizational factors. Organizational factors include pay and benefit packages, job satisfaction, leadership style and working environment. The non-organizational factors considered in the study are perceived better opportunity and personal factors.

Figure 2.2 Conceptual framework of the study



Developed by the researcher 2015

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The study entitled "Professional Employee Turnover Intention and Retention Practices the Case of Wegagen Bank S.C" aimed to assess the phenomena of turnover and retention practices of the organization. Descriptive research design was used to assess factors, which contribute to professional employee's turnover intention in Wegagen Bank. According to (Kohtari, 2004), the major purpose of descriptive research is description of the state of affairs, as it exists at present.

3.2 Population of the study

The population for the study is professional staff of wegagen bank s.c. For the purpose of the study, employees with educational qualification of first degree and above are considered as professional employees. Currently Wegagen Bank has about 2,575 employees as of Dec 31, 2014. These employees are spread between two sets of geographically separated groups: city branches including the head office retains about 1,466 employees which covers 56.93% of the total number of employees. Outline/regional branch employees are 1,109 and this covers 43.07% of the total number of employees, which are excluded from the study. In addition, among the city branches and the head office employees 55.32% are professional and/or semi professional staffs who have attended different college and university courses. The remaining 44.68% are non-clerical unskilled staffs, who are also being excluded from the study. Thus, the population size for the study is 811 professional employees of the bank.

3.3 Sampling Technique

Since there are many limitations such as time and budget to include the total population in the study, it is necessary to take sample from the total population under study. For this purpose, the researcher has used optimal sample size that is not too large sample size to be in line with available resource and time and too small sample size, which may not represent the total population. Therefore, appropriate sample size has to be applied in order to get good representative data.

The formula the researcher used Slovin's formula statistics Canada (2010) as cited by (James, 2012) to determine the sample size at 95% confidence level, degree of variability = 0.5 and level of precision/sampling error = 5%.

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

$$n=811/(1+811(0.05)^2)$$

$$\underline{n=267}$$

Where; “n” is the sample size, “N” is the population size and “e” is the level of precision. By using the above formula from the total study population of 811 participants, 267 participants were selected as a sample.

Since the sample frame is heterogeneous, the researcher employed proportionate stratum random sampling to select samples from the existing employees. Stratified random sampling is a sample obtained by separating the population in to homogenous groups these are called strata and then select a sample from each stratum using proportional size of stratum. A stratified random sampling allows us to take into account the different subgroups of people in the population and helps guarantee that the sample accurately represents the population on specific characteristics. The population of the study were classified in two stratus which are head office staffs (support staffs) and city branches office staffs (operation staffs). Samples from each stratum were selected by using the following equation:

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

Where n_h is the sample size for stratum h , N_h is the population size for stratum h , N is total population size, and n is total sample size

The lists of the participants or respondents were taken from sample frame of the the bank. Therefore the sample size for the three categories is as follows;

Table 3.1 Sample Size for the Study

Stratum	Sample Size	Total Population
Head Office	94	285
City Branches	173	526
Total	267	811

Source: from Wegagen bank Human Resource Management division

3.4 Source of Data

To assess professionals' staff turnover intention and retention practices in Wegagen bank the researcher gathered data from existing employees, HR management staffs and different documents of Wegagen Bank S.c.

3.4.1 Primary Data

The researcher collected primary data using questioners and interviews. Questionnaire was designed to gather data from employees of the bank. The researcher also used structured interview to collect data from management staff of the bank. The researcher decided to use these tools because; questionnaire will help in gathering basic data from large number of respondents with less amount of time and interview gives the advantage of collecting detailed information from small number of respondents.

3.4.2 Secondary Data

Regarding the collection of secondary data, the researcher refereed different reports, books, journals, articles and web sites that are relevant to the study. To establish staff turnover trends and reasons for leaving, data was obtained from the Human Resources Management records including nevertheless, the researcher was not able to use exit interview documents for this study because the interviews were not properly documented and filed.

3.5 Analysis of Data

To fulfill the objective stated, data collected from structured interview were analyzed using description of facts. Responses from questionnaires were coded through the Statistical Package for Social Science (SPSS) version 20 and analysis done by using descriptive statistics such as frequencies, mean and standard deviation. The analysis was presented using tables.

3.6 Questionnaire Design

Self-completion questionnaires were designed to gather data from professional employees of Wegagen Bank. Structured interview questions were also designed to collect data from the concerned management body (HRM Director, HR Administration division Manager and senior officer). The questionnaire design of the study was very simple and easy to understand. Questionnaires contained close-ended questions with a five-point Likert scale. Respondents were asked to tick the boxes that apply to them. The questionnaire of this research was adopted from different researchers work such as (Islam and Zaman, 2013), (Mrara, 2010), (Nazim and Baloch, 2007) and (Shah, et al., 2010) and modified by the researcher in order to relate it with the specific objective of the research.

The study distributed closed -ended questionnaires to the sample respondents. The response rate is shown in Table 3.1 below.

Table 3.2 Response rate for respondents of Wegagen Bank

Description	Respondents\Employees
Sample selected	267
Questionnaires distributed	267
Questionnaires returned	205
Response rate (%)	76.78%
Usable responses	205

Source: Survey on Professional employees of Wegagen Bank

3.7 Test of sound Measurement

As (Kothari, 2004) stated, a sound measurement must meet the test of validity and reliability. Both of them should use in evaluating a measurement to in this study.

3.7.1 Validity

“Validity refers to the extent to which a test measures what we actually wish to measure” (Kothari, 2004). Validity is the strength of our conclusions, inferences or propositions. It involves the degree to which you are measuring what you are supposed to, more simply, the accuracy of your measurement. It is believed that validity is more important than reliability because if an instrument does not accurately measure what it is supposed to, there is no reason to use it even if it measures consistently. To check the validity the initial questionnaire has been given to a group of referees to judge its validity according to its content, clearness of its meaning, appropriateness to avoid any misunderstanding and to assure its linkage with the study objectives. To check the validity of the instrument developed to measure the causes, consequences and retention mechanisms the researcher test it using

First, the researcher examine that the underling theory of the study has a strong conceptual basis and be based on well-validated constructs.

- Consulting subject matter experts in the area like research advisor and course instructors
- Feedback collected from the selected friends by the sample of questionnaire distributed to check the validity

3.7.2 Reliability

Reliability has to do with the accuracy and precision of a measurement procedure (Kothari, 2004). Reliability estimates the Consistency of the measurement or more simply, the degree to which an instrument measures the way each times it is used under the same conditions which the same subjects. Reliability is essentially about consistency. That is if we measure something many times and the result is always the same, then we can say that our measurement is reliable. In other words, when the outcome of the measuring process is reproducible, the measuring instrument is reliable-this does not mean that it is valid, it simply means that the measurement instrument does not produce erratic and unpredictable result.

To maximize the reliability of the questionnaire the researcher conducted an initial survey of 30 Wegagen bank staffs. To measure the reliability of the constructs the researcher conducts internal consistency reliability using cronbach alpha. Internal consistency reliability is a measure of consistency between different items of the same construct. The cronbach alpha coefficient of the factors is displayed in the following table. The result shows that there is high internal consistency among the variables, so the dimensions are sufficient to measure the constructs.

Table 3.3 Results of the reliability analysis

Factors	Cronbach's Alpha	No of Items
Pay and benefit packages	.788	9
Job satisfaction	.760	4
Working Environment	.783	6
Leadership	.828	5
Perceived better opportunity	.719	3
Personal factors	.802	5
Turnover intention	.810	3

SPSS output

Cronbach's alphas were .788 for pay and benefit packages factors, for .760 job satisfaction factors, .783 for working environment factors, for .828 leadership factors, .719 for perceived better opportunity, .802 for personal factors and .810 for turnover intentions. suggesting that each instrument's internal consistency was satisfactory.

CHAPTER FOUR

DATA PRESENTATION, ANALYSES AND INTERPRETATION

4.1 Summary Introduction

The following information has been gathered to provide adequate data analysis, which was received from individual respondents at Wegagen Bank. This chapter consists of quantitative and qualitative analyses by utilizing information, which were, gathered from the general information and the basic information (for closed-ended and structured interview) of independent respondents.

Table 4.1 the percentage and frequency distribution of demographic characters

Item	Categories	Frequency	Percent
Gender of Respondents	Male	123	60.0
	Female	82	40.0
	Total	205	100.0
Age of Respondents	18-25 years	46	22.4
	26-33 years	107	52.2
	34-41 years	45	22.0
	Above 41 years	7	3.4
	Total	205	100.0
Marital Status Of Respondents	Married	88	42.9
	Divorced	3	1.5
	Single	113	55.1
	Widowed	1	.5
	Total	205	100.0

Service Year Of Respondents	Less than 1 year	16	7.8
	1-5 years	71	34.6
	6-11 years	79	38.5
	12-17 years	27	13.2
	Greater than 17 years	12	5.9
	Total	205	100.0
Education Level of Respondents	PHD	–	–
	MA/ MSC Degree	30	14.6
	BA/ BSC Degree	175	85.4
	Total	205	100.0

Source, questionnaire, 2015

As shown in the above Table 4.1 60% or (n=123) of employees participated in the study are male employees and 40 %(n=82) are females. Employees who are in the age group of 26-33 years cover 52.2% (n=107) of the total number respondents. The above table also indicates that 55.1% of participants were single employees and 38.5% of the respondents serve the bank from 6 up to 11 years. Furthermore, the table also indicates the educational status of participants 14.6% of the respondents were MA/MSC Degree holders and BA/BSC Degree holders were 85.4%. Thus, it can be concluded that, most of the respondents participated in the study were male, in the age group of 26-33 years, BA/BSC degree holders, are single employees and have been working in the bank from 6 to 11 years.

4.2 Results of Measures of Central Tendency and Dispersion

This part explains the descriptive statistics calculated on the basis of variables included in the factors of turnover intention questionnaires. The measure of central tendency and dispersion for the personal factors, perceived employment opportunities, job satisfaction, salary and benefit packages, leadership style, working environment and turnover intention level results obtained from the sample respondents.

As stated in chapter three-likert scale were used to measure factors of turnover intention. Five point scales were used to measure level of agreement to each factor: organizational and non-organizational factors.

Table 4.2 Personal factors of professional staff turnover intention

No	Item	N	Mean	Std. Deviation
1	Health problem will make me quit my job	205	2.39	1.202
2	Family related problem will make me quit my job	205	1.93	1.005
3	Having difficult job will make me quit my job	205	1.88	1.037
4	Job expectations not fulfill by the organization will encourage me to quit	205	3.99	.993
5	Wanting to have personal business will encourage me to quit	205	1.42	.880
	Valid N (listwise)	205		

Aggregate Mean 2.32

Source, questionnaire, 2015

Table 4.2 reveals the arithmetic mean and standard deviation of the personal factors of turnover intention considered in this study. As shown in the above table, job expectation not fulfilled seems to be the highest indicator of turnover intention from personal factors with mean 3.99. However, the aggregate mean for personal factors is 2.32. Standard deviation lies between 1.202 and .880. This implies that personal factors are not a factor for employees turnover intention in WB. as per the interview conducted with the HR Officials there are employees who left the bank because of personal problems such as employees working far from their families, health problems and employees starting personal business and some female employees quit after giving birth because they want to focus their attention in to their families. Nevertheless, the number of employees quitting due to personal factor is not as much, so it is not a cause for employee turnover intention. This result is in line with the findings of Adugna, 2014 and (Shah, et al., 2010).

Table 4.3 Perceived alternative opportunity factors of professional staff turnover intention

No	Item	N	Mean	Std. Deviation
1	Perceived alternatives and accessibility of other jobs will encourage me to quit	205	4.15	1.034
2	You stayed at Wegagen Bank because you have no other job opportunity	205	3.40	1.114
3	When I improve my educational background I believe there are alternative jobs available for me	205	4.11	.944
	Valid N (listwise)	205		

Aggregate mean 3.89

Source, questionnaire, 2015

Table 4.3 describes the arithmetic mean and standard deviation of the perceived better employment opportunity factors of turnover intention considered in this study. The Aggregate mean for the factor perceived better employment opportunity is 3.89 Standard deviation lies between 1.114 and .944. This implies that from the non-organizational factors incorporated in the study perceive employment opportunity was a factor for employee's turnover intention. According to the HR director, Currently Wegagen Bank is losing experienced and professional employees due to the availability of alternative jobs from other organization mostly competitive banks. The HR director also responded that employees perceive they have a better opportunity due to the increasing number of banks in the country.

Thus, regarding the effects of perceived employment opportunity on turnover intention the result of the study was also supported by the findings of other researchers such as (Rahman et al., 2008) and (Hwang and Kuo, 2006).

Table 4.4 Job Satisfaction factors of professional staff turnover intention

No	Item	N	Mean	Std. Deviation
1	In general I like my job	205	1.92	.851
2	I am seldom bored with my job	205	3.25	1.039
3	I would not consider taking another job	205	1.60	.783
4	In general I am satisfied with my job	205	1.89	.907
	Valid N (listwise)	205		

Aggregate mean 2.17

Source, questionnaire, 2015

Table 4.4 describes the arithmetic mean and standard deviation of overall job satisfaction factors for turnover intention. The Aggregate mean for job satisfaction factors is 2.17. Standard deviation lies between 1.039 and .783. This implies most employees of WB are not satisfied with their jobs. The result of quantitative data was also supported by the interview results. According to the HR officials, another serious factor for turnover intention is employee's level of job satisfaction. By nature, the work of bank employees is very routine and cumbersome which has a negative effect on the workers level of satisfaction. Besides frontline employees deal with customer on day-to-day bases and may get in to lot of disagreements and there is the effects of cash discrepancies which is seen as disciplinary flow by the bank.

Many studies such as Brough and Frame (2004), Lambert, et al., (2001) and Rahman et al., (2008) conducted in different settings found a significant negative correlation between the facets of job satisfaction and turnover intention.

Table 4.5 Salary and benefit packages factors of professional staff turnover intention

No	Item	N	Mean	Std. Deviation
1	The bank's benefit program is competitive with others in the industry	205	1.66	.902
2	The bank's total benefit program meets my needs	205	1.64	.849
3	The bank provides equal opportunities for promotion	205	1.48	.790
4	The management tries to motivate employees to stay in the organization.	205	1.94	.940
5	My present salary is satisfying	205	1.58	.822
6	I feel I am being paid fair amount for the work I do	205	2.25	1.104
7	I will consider leaving the bank if I get a better salary and benefit in other organization	205	4.65	.666
8	My pay compares fairly with the pay of people doing similar work in other banks	205	1.79	.870
9	My pay compares fairly with the pay of people doing similar work in the same bank	205	3.08	1.190
	Valid N (listwise)	205		

Aggregate mean 2.23

Source, questionnaire, 2015

Table 4.5 describes the arithmetic mean and standard deviation of salary and benefit packages factors of turnover intention considered in this study. The Aggregate mean for the factor salary and benefit packages is 2.01. Standard deviation lies between 1.190 and .666. The result implies that employees are dissatisfied with their salary and benefit packages, which results in turnover intention. As per the interview results employees who leave the bank most of the time are dissatisfied with the salary compare to other banks in the industry and they fill management is reluctant to improve and implement new better salary scheme. WB is very slow in approving and implementing adjustments on salary and benefit packages. For instance, it may take three or four months for the bank to approve and implement bonus and salary increments at the end of each fiscal year. Thus, salary and benefit packages are one factor for employee turnover intention.

The results of this analysis is in line with the findings of different researchers such as (Fheili, 2007) and (Hana and Lucie, 2011) which concluded pay and pay related variables cause employee turnover intention behavior.

Table 4.6 Leadership factors of professional staff turnover intention

No	Item	N	Mean	Std. Deviation
1	The way the organization is being led by top management is satisfactory	205	3.11	1.124
2	Employees get a chance to participate in decision making process	205	1.51	.895
3	My supervisor observes the talents of his subordinate and directs them to improve their talents	205	1.83	1.081
4	The quality of my manager's leadership and nature of the relationship I have with him or her affect my desire to stay in the bank	205	3.34	1.184
5	The way people are treated by those in leadership affects employee turnover intent	205	3.79	1.085
6	My supervisor will support me if there are problems	205	4.14	1.029
	Valid N (listwise)	205		

Aggregate mean 2.95

Source, questionnaire, 2015

Table 4.6 describes the arithmetic mean and standard deviation of Leadership factors of turnover intention considered in this study. The aggregate mean of leadership factors is 2.95. The standard deviation lies between 1.124 and .895. The result of the aggregate mean implies that leadership factor is neutral or respondents do not know if leadership is a factor for employee's turnover intention in WB. The researcher found discrepancy between the quantitative and qualitative data's regarding leadership factors. As per the interview results there are employees who left the

bank because of dissatisfaction with the leadership. Employees do not usually participate in major decisions they just do what they are told thus, this makes them feel unappreciated. Moreover, employees believe top management does not give them an immediate solution when they face personal problems. Thus, in conclusion, as per the interview results leadership factor is one of major factors for turnover intention of professional employees. However, the result of the quantitative data is neutral but it is still less than three and researchers such as Ekong et al., (2013) proposed that leadership is a factor for turnover. Thus based on the reviewed literature the researcher decided to accept the results of the qualitative data.

Table 4.7 Working environment factors of professional staff turnover intention

No	Item	N	Mean	Std. Deviation
1	I stayed in the bank because The working conditions are satisfying	205	4.35	.915
2	The physical surroundings where I work are satisfying	205	3.04	1.006
3	Many of our rules and procedures make doing a good job difficult	205	3.26	.990
4	I have a good relationship with my co-workers and supervisor	205	4.38	.781
5	I can handle tasks at work with my own judgment.	205	3.57	.976
6	At work, I have the necessary equipment and tools to facilitate my job	205	4.49	.808
	Valid N (listwise)	205		

Aggregate Mean 3.85 standard deviation lies between 1.006 and .781

Source, questionnaire, 2015

Table 4.7 describes the arithmetic mean and standard deviation of work environment factors of turnover intention considered in this study. The aggregate mean of work environment factor is 3.85. Standard deviation lies between 1.006 and .781. The result of aggregate mean implies that

most employees are satisfied with the work environment of the bank and it is not a factor for professional employee turnover. This result is also supported by the qualitative data gathered from the interview. (Nazim and Baloch, 2007) in their study also concluded work environment is unimportant factors for employee turnover

Table 4.8 Respondents level of satisfaction with the organization

No	Item	N	Mean	Std. Deviation
1	Overall how satisfied are you with your organization	205	1.78	.718

Aggregate mean 1.78

Source, questionnaire, 2015

Under the overall organizational satisfaction of respondents shown in Table 4.8 above, the mean score is 1.78 with standard deviation of 0.718 that literally means they, the respondents, are not satisfied with their organization.

Table 4.9 factors of professional staff turnover intention

No	Item	N	Mean	Std. Deviation
1	As soon as I can find a better job I will quit this organization	205	4.63	.551
2	I often think about quitting my job	205	3.88	.948
3	I will probably look for a new job next year	205	4.30	.922
	Valid N (listwise)	205		

Aggregate mean 4.27 standard deviation lies between .948 and .551

Source, questionnaire, 2015

Table 4.9 indicates the level of turnover intention in wegagen bank. The aggregate mean for turnover intention factors is 4.27. Standard deviation lies between 948 and .551. The value of the aggregate mean implies that there is high professional employee's turnover intention in WB. According to the HR Director of WB, the management of the bank is aware of the intensity of

labor turnover. Moreover, the HR director believed that most employees leaving the organization are professional employees with a great deal of experience and knowledge.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Major Findings

The rate at which employees enter and withdraw from organization has become a source of concern to HR managers given the damaging effect of frequent turnover could have on organizations. Frequent employees turnover is costly to organizations and destructive to the attainment of organizational goals. The present study sought to identify factors, which lead employees to leave their current employer and suggest possible retention mechanisms. Thus the major findings of the study are

- From the analysis of both quantitative and qualitative data, the researcher founded that personal factors are not factor for professional employee's turnover intention in WB.
- The perception of getting better employment opportunity found to be one of the factors for employees intent to leave. Employees believe improving educational attainments give them a better employment opportunity. Therefore, perceived better opportunity is one factor for employee's turnover intention.
- The present salary and benefit packages of WB are viewed to be not satisfactory for most professional employees of the bank. Thus, salary and benefit packages are one of the organizational factors that have an impact on employee's intent to leave the bank.
- Employees job satisfaction is very low in the bank. Employees of the bank are generally board with their jobs and if they get a chance, they will probably quit their current jobs. Thus, job satisfaction of employees was found to be another factor for turnover intention of professional employees in WB.
- Regarding the leadership factors, the researcher founded that discrepancy between the quantitative and qualitative date. The results of the quantitative data imply neutral result but the qualitative results indicate leadership is one factor for employee turnover intention.

- Employees are generally satisfied with their working environment. In addition, Employees of the bank identified to have a good relationship between each other and their supervisors. Thus from the variables included in this study working environment was not a factor for employee turnover intention.
- According to the HR director, the bank is not implementing any retention mechanism to retain employees of the bank. The most HR does in this situation is if the employee leaving is high performer HR officers will try talking to him and convince him to change his mind. The HR director also added the bank has yet not developed any plan to come up with a mechanism to retain its employees and reduce the turnover rate.

5.2 Conclusion

The objective of the study was to identify the core factors for professional employee turnover intention in Wegagen Bank. The following conclusion has been developed from the research finding.

There are number of findings concluded from this study. The review of literature shows several causes of employee turnover and the retention strategies in order to control turnover.

The findings of this research on professional employees of Wegagen bank S.c found that the major factors that cause professional employee turnover intention are salary and benefit packages, job satisfaction, perceived employment opportunities and leadership/ supervision.

The results of the study are also in line with the researcher's observation. The researcher observed WB is very slow in approving and implementing adjustments on salary and benefit packages. For instance, it may take three or four months for the bank to approve and implement bonus and salary increments at the end of each fiscal year. The researcher observed that employees seem to be more dissatisfied with the benefits packages such as fuel allowance and housing allowances. The other major observation by the researcher was that employee turnover is not taken as a major problem by the bank. When employees submit resignation letter it is seen as just one more HR activity and not much weight is given to the issue.

5.3 Recommendations

The following recommendations are suggested in view of the findings of present study.

- Since the management of the organization is aware of professional manpower turnover, it could strongly work on developing retention mechanisms. Management has several policy options viz. changing (or improving existing) policies. More effort should be done to improve retention by taking in consideration several factors. Review job content to make jobs interesting and increase job satisfactions, compensation practices that are fair and competent with others in the industry, leadership and supervision , career planning and development opportunities, favorable working conditions. Furthermore, since the banking industry is full of competitors reeling on financial factors might not be always sufficient thus, WB is better to develop smooth communication within the organization, develop employee commitment and sense of belongingness
- Even though employees believe as their level of educational qualification increases, their chance of working in the bank decreases, the management is better to assign them to different positions based on their new qualification.
- Employee turnover attributable to wage rates could be addressed by benchmarking and comparing on salaries with other banks in the industry. WB Should implement salary level, which is attractive to employees compared with others in the industry in this way the bank, will be able to retain its employees and also attract others from its competitors.
- The organization should revise its benefit packages. They can do this by sharing experiences from other banks in the industry. Organizations should identify those benefits, which have more influence on employee's retention. Furthermore, Organizations need to revise their present benefits package to identify those benefits, which are not useful in order to replace them.
- Supervisors or the managers of the organization who are directing the employee play a vital role in employee retention. If bosses are supportive, encouraging and let employees

to learn from mistakes, more the employees feel sense of pride in their jobs. Managers should ensure they adopt managerial style that will provide opportunity for the subordinate and the leaders in joint decision making and also managerial style that will enhance employee performance and retain them in the organization.

- The management should design the jobs so that it allows employees greater autonomy on the job, presenting challenges that are more interesting, skill variety, task significance, and feedback to improve employee's level of satisfaction with their jobs. Finally, challenging and meaningful work climate having aspects of sound control and increased level of privacy, drives the workers to be feel self accomplished and committed to their jobs.

5.4 Future Research Directions

- Future research can be carried out in-depth using different mathematical models to identify which factors has the most impact on employees turnover intention
- The questionnaire used in this study could be expanded and modified to develop a retention measuring instrument, which can form the basis for developing retention program for organizations.

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