



**Assessment on Employee's Turnover and Retention Practices:  
The case of Commercial Bank of Ethiopia**

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Economics in partial fulfillment of the requirements for Master of Art in  
Business Administration specialization in Management

Advisor

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## **DECLARATION**

I, the undersigned, declare that this is my own original work and that it has not been presented to any other University for a degree. All sources of materials used for this study have been duly acknowledged.

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## APPROVAL SHEET

As a member of examiner and advisor of the final senior essay presentation/defense; we certify that we have heard and evaluated this paper prepared by Denklesh Tsegaye entitled “Assessment on Employee Turnover and Retention Practice in Commercial Bank of Ethiopia”, Addis Ababa, Ethiopia recommend that it be accepted as the partial fulfillment for the award of the degree of Master of Art in Business Administration specialization in Management.

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## ACRONYMS

BO	Branch Operation
CBE	Commercial Bank of Ethiopia
CRM	Customer Relationship Manager
CSM	Customer Service Manager
FR	Frequency
HRM	Human Resource Management
HR	Human Resource
IBD	International Banking Department
IS	Information System
IT	Information Technology
MIS	Management Information Service
NBE	National Bank of Ethiopia
TS	Trade Service

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## ***Abstract***

*Commercial Bank of Ethiopia is the largest government owned by in the country. The bank has a vision to be a world class commercial Bank by the year 2025. The main purpose of this research is to assess employee's turnover and retention practices in commercial bank of Ethiopia and provides professional advices that would help the bank to reduce employee turnover and retain its qualified and competent employees. The study was carried out in Addis Ababa branches selected from four districts operating in Addis Ababa and four head office departments on convenience sample for researcher. The sample size of 113 respondents was selected randomly. The study used both primary and secondary data. In order to collect primary data, a questionnaire is designed and administered to randomly selected respondents and the bank's quarter and annual report were examined as a secondary data. Statistical Package for Social Science (SPSS) 20 was used to process the primary data collected through questionnaire and the data analyzed by using descriptive statistics which includes calculating the number and percentages, frequency distribution and mean tables. Reliability test of data was done using Cronbach's alpha and it was found to be  $\alpha = .814$  which shows the questionnaire is reliable. The study revealed that Salary and benefit packages, lack of potential opportunity for career advancements, and less conducive work environment were among the key factors influencing employee turnover. Therefore the researcher has recommended that the bank has to review its compensation policy like salary scale and offer competitive salary and benefit packages compare to other banks in the industry, provide a clear path for career advancement and improve the working environment so as to reduce turnover and retain its experienced and qualified employees.*

*Key words: Employee Turnover, Retention, Salary and Benefit, and Commercial Bank of Ethiopia.*

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

The most valuable asset of any organization is its human resource and it is this type of asset that dictates how efficiently other assets of the organization are managed and utilized. Organizations human capital which involves the stock of knowledge, skills and abilities (SKAs) within its portfolio largely determines the competitive position of that organization. It takes a while for organizations to build their stock of SKAs and the longer employees stay in their organizations the more these SKAs appreciate as employees learn new skills and also acquire new knowledge to add to the human capital of the organization. Allowing employees to leave cannot be the same for all sectors. In the service sector especially the banking industry, since there is a high level of customer contact, customers develop, build relationships and trust with employees of the organization and frequent change of these existing employees as a result of turnover can affect loyalty and commitment of customers in terms of continuous procurement of service from the organization Koys DJ (2001).

Many researchers have found that in a service rendering company, there are strong relation between employee satisfaction, customer satisfaction and service quality. However, in this era of human resource, employee turnover is a major factor that impedes business's ability to retain customers and provide high quality customer service. Employee turnover (i.e., loss of employee) is the final outcome of turnover intention (i.e. thinking of quitting or leaving the jobs and the organization (Zahid H.B, 2013). When bank employees' nurtures turnover and this is not checked, it might result to high loss of employees (i.e., employees' turnover) which in turn jeopardize an organizational performance, productivity, and effectiveness and banking financial system in general (Mobley, 1982; Mourad & Mustapha, 2007). Workers who have more experience at a certain company will be more aware of the company's policies, goals and how to

fulfill their roles in the company. New workers often require time to learn how to fulfill their roles; since companies with high turnover will tend to have more inexperienced workers, they may also suffer from lower worker productivity. Additionally, due to high turnover, understaffing of current employees lead to increased workload, decreased effectiveness and productivity of the remaining staffs in the organization (Wagner, 2010; Miller, 2010). Additionally, high rates of turnover also leads to higher costs related to recruiting and training of new employees (Powell & York, 1992; Mourad & Mustefa, 2007).

Employee turnover refers to the proportion of employees who leave an organization over a set period (often on a year-on-year basis), expressed as a percentage of total workforce numbers. Employee turnover can be voluntary or involuntary, avoidable or unavoidable, functional or dysfunctional or it is early turnover (Phillips and Lisa, 2009). At its broadest, the term is used to encompass all leavers, both voluntary and involuntary, including those who resign, retire or are made redundant, in which case it may be described as ‘overall’ or ‘crude’ employee turnover (Armstrong, 2006).

Any business is only as good as the people who comprise the organization. Therefore, an excellent employee is a pearl of great price. However, instead of recognizing the value of their employees, many companies still squander these precious human resources in a number of ways. Employees leave organizations for all sorts of reasons. Some leave due to more pay, better prospects (career move), more security, more opportunity to develop skills, better working conditions, poor relationships with manager/team leader/, poor relationship with colleagues, harassment, pregnancy, illness, moving away from area etc (Armstrong, 2006).

Organizations invest a lot on their employees in terms of induction and training, developing, maintaining and retaining them in their organization (Barb and Jancy, 2001). The effect of turnover has received huge attention from top management human resource professionals and other industrial psychologists and it has proven to be one of the most costly and apparently difficult human resource challenges faced globally by different organizations including banking industry according to Jha (2014). Organizations all over the world including banks in Ethiopia invest a lot to maintain and retain their employees. Many strategies have been devised to retain

employees by many banks in Ethiopia such as improved benefit packages and training and development of staffs, but still the banking sector is characterized by high employee turnover despite retention strategies (Biruk W., 2013). This situation is also seen in our bank (CBE). In today's competitive business world, employee turnover management is considered to be very crucial to banks so as to reduce the outflow of qualified employees and keep competitive advantage in banking industry. In fact, imperative investigation and recognition of factors that cause employee turnover is vital entry point to manage turnover at any level (Tuzan, 2007). It is recently observable that there are considerable employee turnover in Commercial Bank of Ethiopia and this initiates the researcher to assess about employee turnover and retention practices in CBE.

## **1.2 Background of the Organization**

Commercial bank of Ethiopia (CBE) is the biggest commercial bank in Ethiopia, which was established in January 1963, by proclamation No. 207 of October 1962, which stipulated government owned state Bank of Ethiopia in to National Bank of Ethiopia (NBE) and Commercial Bank of Ethiopia (CBE, Annual Report, June 2006).

Like any other service giving organization, the quality of the Bank's service is highly dependent on maintaining skilled human resources to achieve its mission effectively and efficiently. Being the largest from Commercial Banks operating in the country, the bank, as of June 2018 has 1,280 Branches which are operating all over the country of which three in Sudan Jubba and one branch in Djibouti. The bank has 32,739 employees with different qualifications as of June 30, 2018, among them 24,489 are males and the rest 8,250 are females. The assigned capital of the bank and its total asset has reached Br. 43,142,922,202.00 and 565,530,676,274.00 respectively as of June 30, 2018 (MIS dep't report).

Currently the bank is serving the society with different banking services via its ever increasing branch networks throughout the country, namely domestic banking (deposits, credit facility and local money transfer), international banking (trade service (TS) Forex service and money

transfer), E-payment (internet banking, card banking & Mobile banking.), interest free banking and supporting National Development Strategies.

The main objectives of the Bank are:

- To extend commercial banking services throughout the country.
- To encourage mobilization of savings by making people aware of the use of banking; and
- To extend loans, and other banking facilities to any person for specific purpose and periods.

### **Commercial Bank of Ethiopia's Mission & Vision**

- **Mission**

“We are committed to best realizing of stakeholders’ values through enhanced financial intermediation globally and supporting national development priorities by deploying highly motivated, skilled and disciplined employees as well as state of the art technology. We strongly believe that winning public confidence is the basis of our success”.

- **Vision**

The Bank has a vision to be a world class Commercial bank by the year 2025.

### **1.3. STATEMENT OF THE PROBLEM**

Commercial bank of Ethiopia (CBE) is a public enterprise engaged in commercial banking activities with goal of maximizing profit as well as supporting National Development Strategies by financing major infrastructures and projects of the country. The bank is pioneer to introduce banking services to the country. The bank has been in a branch expansion strategy for the past ten years which as a result the number of branch network has reached 1,280 as of June 30, 2018 from 220 back in 2008. Employee turnover is considered to be one of the persisting problems in organizations (Armstrong, 2009; Reiß, 2008). High turnover can harm a business's ability to retain customers and customer service quality and also leads to low productivity, (Mabindisa, 2013). In particular if it involves quality employees who have worked for the organization for

many years, high performers, experienced and loyal individuals (Branham, 2005, Katcher, Snyder, 2007; Somaya, Williamson, 2008). Additionally, human capital is neither widely accessible nor easily imitated (Boxall & Purcell, 2011). A recent study conducted by Wesonga, Alice, Noah and Makworo (2011) is evident that significant costs are involved in hiring, training. Hence, it becomes imperative that management of the organization must identify the causes to minimize employee turnover at all costs since it affects the organization efficiency and effectiveness (Glebberk & Bax, 2004).

The recent five years statistical data trend reflects that the number of employee turnover of CBE has been in continuous increase and CBE is facing frequent employees turnover problem. As indicated in the Table 1, below from the total employees' 4,746 employee were terminated from the bank due to different reasons. Besides, human resources management of the bank is not able to retain its experienced and skilled employee.

Table 1: Employee Turnover in CBE (2014/18)

<b>Year (G.C)</b>	<b>Total No. of Employees</b>	<b>Total No. Turnover</b>	<b>Turnover in percentage (%)</b>
2014	18,524	616	3.32
2015	22,908	709	3.09
2016	28,467	1,106	3.89
2017	33,706	1,097	3.25
2018	32,739	1,218	3.72
Average Total	136,344	4,746	3.48

*Source: CBE's Annual Progress Report*

The above table indicates that even though the average rate of five years' employee turnover is 3.48% the magnitude of employee's turnover has been increasing from year to year and reaches double. Recently it is observed that senior and professional employees of CBE have been leaving the bank in an increasing number. This problem seems significant and worth studying so as to assess employee turnover and retention practice in CBE.

To this end, the study tries to seek answers for the following basic research questions.

#### **1.4 Research Questions:**

- ✓ What are the key factors contributing employee turnover in CBE?
- ✓ What is the intention of employees towards leaving CBE?
- ✓ What is the perception of employees on the factors causing employees' turnover in CBE?
- ✓ How do employees perceive the retention mechanisms taken by CBE?

#### **1.5. Objectives of the Study**

##### **1.5.1. General Objective**

The main objective of this study is to assess employee turnover and retention practices in Commercial Bank of Ethiopia and provide advices that would help the organization to reduce turnover and retain its competent employees.

##### **1.5.2. Specific Objectives**

The study has the following specific objectives:

- ✓ To explore factors influencing employee turnover in CBE,
- ✓ To assess the magnitude of employee turnover intention in CBE,
- ✓ To assess the level of employee turnover perception in CBE, and
- ✓ To assess the mechanisms employed by CBE to retain its employee.

#### **1.6. Significance of the study**

The finding of this study helps the bank (CBE) especially human resource Management to realize the major contributing factors of employee turnover and helps to formulate strategies to minimize it. Besides it can serve as valuable information for further studies.



## **1.7. Scope of the Study**

The study is designed to assess employee turnover and retention practices in Commercial Bank of Ethiopia. Due to time and budget constraints the study was restricted to four head office departments and selected branches which are operating in Addis Ababa Area.

## **1.8 Limitation of the Study**

As the researcher used convenient sampling method and focused on Addis Ababa area, the research doesn't include the responses of employees' of CBE working in outlying districts of the country and abroad.

## **1.9. Operational Definition of Key Terms**

**Turnover intention:** is an individual's desire to leave a job or an organization permanently at some point of time in the future and look forward to find the other one.

**Employee Turnover:-** refers to the amount of movement of employees in and out of an organization.

**Turnover Rate:** is ratio of the number of employees who left the bank during the period considered and the average number of employees of the organization in the same period.

**Retention: -** Retention relates to the extent to which an employer retains its employees.

**Employees:-**refers to workers at commercial bank of Ethiopia

**Bank: -** is a financial institution which deals with money and accepts deposits and makes loans and obtains a profit from the difference in the interest paid to lenders (depositors) and charged to borrowers.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Theoretical Review of Literature**

The success of organizations' depends on its skilled human resources, this leads for competition of organizations to hire and retain the best employees. Organizations' made significant investment in training and developing its employees, that investment is lost when employee leaves (Mello, 2011). In addition to this, the cost of replacing workers is high, and finding skilled employees can be difficult. Hence, employee turnover becomes one of the major problems of most organizations, which affect productivity, product, service quality, and profitability.

The negative impact is usually the case when labour force is reduced and the same amount of work is left for fewer hands to do so. This is find the work too much for the remaining employees and in trying to do more work than they used to do since they usually do not have a choice but to do a poor job. Besides, the effects of turnover are reflected at the time when employee leaves a company because the employee takes with his/her knowledge and experience that which cannot be monetarily measured and that cannot be easily recreated (Achoui and Mansour, 2007).

Turnover or inter-company mobility is a transfer of employees between the organization and its surroundings, i.e. other organizations or institutions. It can have both desirable and undesirable effects (Reiß, 2008). The undesirable effects may include, for example, the failure to use expertise and experience gained by a leaving employee, development of unwanted features and approaches in other employees in the organization, disruption of the attitude to work and work morale, higher demands placed on other employees during the period of substitution, possible loss of other customers, increase of costs to recruit a replacement, his/her selection, training and adaptation (Armstrong, 2009; CIPD, 2005; Branham, 2007, Katcher, Snyder, 2007). On the contrary, desirable effects are that new recruits bring new inputs and ideas, there is no stagnation,

a more suitable employee (with broader knowledge and experience) can be hired, an improved and less costly process of personnel planning, development management and succession management (Armstrong, 2009; Reiß, 2008; Somaya, Williamson, 2008; Stýblo, 1993). Employee turnover may also bring organizations certain benefits. For example, if a less productive employee is replaced by someone more efficient or if a retiring employee is replaced by “young blood”. A certain level of turnover may reduce the organization’s personnel cost (Milkovich, Boudreau, 1993). For employers it is very important to monitor the volume of employees who leave the organization and how this factor influences the organization. That, of course, is dependent on the size of the organization, its location and special teams of employees, etc. that can help to formulate a general strategy of sources (Hutchinson, Purcell, 2003; Stýblo, 1993). According to Stam (2009), organizations (irrespective of sector of economy, size of organization etc.) are facing a crisis of knowledge management which is to ensure that employees will not leave the organization before transferring their experience. This means that organizations are facing a “knowledge preservation crisis” as organizations’ knowledge is threatened. In this respect knowledge continuity management becomes a key means of reducing the risk of loss of critical knowledge.

Identically, also Beazley (2003) assesses the loss of knowledge as a serious threat. A method of confronting this threat is to introduce a structured programme for the transfer of critical knowledge. It is evident that not all knowledge may be collected and transferred, but that is not the goal. The goal is to transfer solely the critical knowledge related to the work position that would, in case it is lost, endanger the operation of the organization. Some continuity is definitely better than none. Ensuring knowledge continuity will help organizations develop a competitive advantage (Argote, Ingram, 2002).

## **2.1.1 Definitions and types of Employee turnover**

**2.1.1.1 Turnover intentions:** defined as an ‘individual’s own expected chance that they are quitting the organization permanently at some spot in the near future and look forward to find the other one. (Purani & Sahadev, 2007; Weisbeg, 1994, Vandenberg and Nelson 1999, p. 1315).

According to Price (2001), it is not just intending to quit the location, but the work role, the job, and also the organization.

### **Types of Turnover Intention**

The intention to leave can be categorized into:

- i. Unpreventable turnover is due to the issues of family, personal illness or retirement.
- ii. The desired turnover is due to the inability of the employee himself.
- iii. Undesirable turnover consists of skilled and trained workers leaving due to organizational issue such as poor support, role conflict and lack of supervision.

Turnover intention is a major issue, mainly in the field of human resource management. Many researches have shown that turnover intention has direct relationship with actual turn over. According to Castro, & Shepherd, 2007, turnover intention is the major determinants of turnover behavior (i.e., quitting behavior) and it is one of the biggest causes and an immediate symbol of employee' s turnover (Griffeth et al., 2000; Porter & Steers, 1973). Therefore turnover intention is a major area of interest and poses a very crucial challenge for today' s human resource managers because intention to leave takes perceptions of job alternatives, poor work performance, poor personal behavior and work ethics and impaired deliverance of quality service to customers, and etc. until the behavior culminates with actual quitting of job and organization. Many researches have also linked turnover intention to lateness, absenteeism, work withdrawal, reduced performance, and poor organizational citizenship behavior, low commitment, and poor work engagement, and invariably declining output (Johns, 1997; Meyer, 1997; Griffeth et al., 2000; Oluwafemi, 2009; 2010; Samad, 2012).

#### **2.1.1.2 Employee Turnover**

Since employee turnover has become the most widely studied phenomenon in organizational behavior research, there are many definitions in the literature regarding the term employee turnover. Some of the definitions given by different researchers are presented as follows:

The term employee turnover is often used to describe the in and out of the employee in the organization. However, employee turnover is a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees (Agnes, 1999). According to (Chruden & Sherman, 1972), turnover refers to the amount of movement of employees in and out of an organization, normally present in terms of the turnover rate, and Mobley (1982) gave the meaning of employee turnover as the discontinuance of membership in an organization by the person who received monetary compensation from the organization.

Employee turnover refers to the rate at which an employer gains and losses employee, how long the staff tend to leave and join the organization (Armstrong, 2006). Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained and this replacement cycle is known as turnover, according to Woods, as cited in Ongori (2007: 49).

Employee turnover is also described as employees who have left, are leaving and will leave an institution for various reasons (Grobler, Warrnich, Elbert & Hatfield, 2006: 125). A similar definition is provided by Morrell, Loan-Clarke & Wilkinson (2001: 4) who state that turnover means 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 firms, jobs and occupations, and between the states of employment and unemployment (Abassi & Hollman, 2000). A number of terms have been used for employee turnover, such as quits, attrition, exits, mobility, migration or succession (Morrell et. al, 2004).

### **Types of Employee Turnover**

In most instances, the bulk of employee turnover is represented by voluntary turnover. It is important to understand that there are different types of turnover that impact on the organization.

**Voluntary turnover vs. involuntary turnover:** When employees leave an organization at their own discretion, it is referred to as voluntary turnover. It is initiated by the choice of the employee (Dess & Shaw, 2001: 446). A similar definition is given by Shaw, Delery, and Jenkins & Gupta. 1998 (1998: 511), stating that “An instance of voluntary turnover, or a quit, reflects an

employee's decision to leave an organization, whereas an instance of involuntary turnover, or a discharge, reflects an employer's decision to terminate the employment relationship". According to Lee & Mitchell (1994: 51-89) who study voluntary turnover, it can be affected by a lack of job satisfaction, job stress as well as alternative opportunities. It is thus important to consider attractions such as alternatives when looking at voluntary turnover. However, voluntary turnover can be predicted and, in turn, be controlled.

According to Ferguson & Ferguson (1986: 43-44), involuntary turnover includes retirement, death and dismissal, which further states that turnover initiated by the employee – such as resigning to take care of a terminally ill family member or accompanying a spouse to another area – should also be considered as involuntary as it includes reasons over which the employee has no control. Another definition states that involuntary turnover includes the need to cut costs, restructure or downsize due to reasons which are independent of the affected employee(s), as explained by Cappelli (1992: 203-217). This represents a decision or choice made by the employer.

Employees leaving an organization may wish not to disclose the real reasons for leaving as they are dependent on the organization for future reference, and this would of course only come to light during the exit interviews. These and other factors dilute the clear-cut distinction between voluntary and involuntary turnover

### **Avoidable and unavoidable turnover**

It is also important to distinguish between avoidable and unavoidable turnover as this too will determine the intervention needed to address the issue of employee turnover (Morrell, Loan Clarke & Wilkinson, 2001: 4). **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 (Morrell, Loan-Clarke & Wilkinson, 2001: 4).

### **2.1.2 Causes of Employee turnover**

Employee turnover can be caused by various factors which in turn can have impacts in the performance and the future of the organization. This includes personal factors, job content factors, work environment factors and external factors.

According to Bean, (2009) employees' wages, company benefits, employee attendance, and job performance and organizational commitment are factors that play a significant role in employee turnover. However, (Bratton and Gold, 2003), Pendulwa, 2011) described the causal factors for turnover which include job not matching new employee's expectations, lack of attention from line managers, lack of training, lack of autonomy, lack of challenge and variety within the work. The researchers also described; low salary, poor benefits, lack of job securities, disappointment with the promotion and development opportunities, disappointment with standards of management such as unapproachable, uncaring and distant behavior and a failure to consult as factors for turnover. These factors are also crucial in banking sector. It is stated by many scholars that in turnover process even if employees usually points out one factor for their turnover choice, there are always more factors on the back hand that works as a driving force for that factor (Jaffari, 2011).

SomchitHongvichit(2015) has reviewed research papers on turnover and on his paper “ The Research Progress and Prospect of Employee Turnover Intention”. He designated factors influencing turnover intention based on the study done at different organization and pointed out that; personal factors, organization management factors, individual organization match such as job satisfaction and organizational commitment are among others which are sited in many literatures as factors influencing turnover.

## **2.2. Empirical review of employee turnover**

**2.2.1 Salary and Benefit Packages:** the common cause of high employee turnover rates is low pay and benefits packages. When a worker is employed in a low-wage position with limited benefits, there is little incentive to stay if a similar employer offers even a slightly higher rate of pay. Beam (2009) argued that "While lower paying job roles experience an overall higher average of employee turnover, they tend to cost companies less per replacement employee than do higher paying job roles. However, they incur the cost more often. For these reasons, most companies focus on employee retention strategies regardless of pay levels". Workers who make more, but whose salaries fall short of the going market rate, may feel undervalued at their current companies and look for a company that will pay them what they're worth (Firth et al., 2004). The most common reason for employee turnover rate being so high is the salary scale because employees are usually in search of jobs that pay well (Hissom, 2009).

**2.2.2 Employee relationship with management:** Nature of management influences the individuals in terms of values of organization, image and existence of firm (Gregory and Henry, 2005). A poor relationship with the management can be an important reason for the employees to leave their jobs. It is relatively rare for people to leave jobs in which they are happy even offered by higher salary elsewhere (Shamsuzzoh & Sumon, 2010).

Taylor (2002) describes that employees need managers, who know and understand them and who treat them fairly. Employees also choose managers who can be trusted. If employees feel that their managers are fair, reasonable and supportive, their levels of job satisfaction increase. Besides, if the manager shows interest in the wellbeing of employees and is supportive and sensitive towards employees emotionally, employee job satisfaction also increases (Egan, Yang & Bartlett, 2004).

According to Sias (2005) research, quality of subordinate and supervisor relationship negatively related to employee turnover intention. Griffeth and Hom (2001) management researchers, state that bad supervision is a prime malefactor of turnover. Besides, little supervision and less support



from supervisors in conducting the assignment, lack of fixing issues or problems decreases workers' ability to cope with their stressful jobs, leads to high level of personal tension thereby increased likelihood of leaving jobs (Mondy, 2010; Michal, Nissly, and Levin,2001). Mbah (2012) argued that employees tend to perform better when they have under less supervision and freedom to exercise initiatives, judgment and self-approach to work. Therefore, supervision has to be supportive and balanced in order to minimize personal tension and to increases employees to cope with their jobs.

Feedback is an important dimension during supervisor employee relationship. Ongori (2007) found that if an employee is uncertain about the expectations of his boss and peers, and inadequately informed about the organization, may cause low satisfaction and commitment. This may cause his intention to leave the organization. Personal feedback needs strong communication between the supervisor and employee to align the goals of an employee and organization (Sias, 2005). Therefore, employee supervisor's relationship has important factor on employee turnover.

**2.2.3 Career Growth:** According to Larson (2004) career progress creates stress on employee's understandings of the worth of his or her career prospects. Obstacles in career development can appear at any time during an employee's employment period which serves as stressor for them. These stressors can include an array of problems like being stuck at a position, without any hopes of progress or threats of downsizing (Smith and Cooper, 1994). High employee turnover could also be due to no potential opportunity for advancements or promotions. Employees prefer other companies which may provide them with higher posts and increased compensation packages (Rampur, 2009).

Irshad (2009) in his study finds that training and career development was found motivating factor which leads to retention. Besides Phillips & Connell (2003) concluded that provision of development opportunities for individual employee is vital for the organization in order to enhance employees' proficiencies and improve their chances of getting higher posts. Employee

training is also an inference of management dedication to build a life-long relationship with the employees thereby influencing their turnover decisions (Wright, McMahan and McWilliams, 1994).

**2.2.4 Job related factors:** Job satisfaction is the extent to which people enjoy their jobs (Hirschfield, 2000). Job satisfaction is a positive emotional state resulting from the appraisal of one's job or reaction to work experience, how workers feel about their jobs, aspects of their jobs, and work situations (Landy & Conte, 2004). In addition, Sharma & Bhaskar (1991) note that the actual job done by employees and the nature of the job given to the employee has a direct influence on job satisfaction.

Many researchers have successfully found the link between job security and employee turnover intention. High job security leads towards reduced turnover intention. Lack of job security makes the employees less responsible and less attached with the organization which leads to turnover (Ashford et al., 1989; Gill et al., 2011).

Job status is also another factor for turnover. A bad match between the employee's skills and the job can also be a reason for an employee to leave an organization. According to (Handelsman, 2009) employees who are placed in jobs that are too difficult for them or whose skills are underutilized may become discouraged and quit.

According to Kahn et al., (1964) stress as an environmental stimulus to a person, or an oddity between individual and environment. The experience of job related stress (job stress), the range factors that lead to job related stress (stressors), lack of commitment in the organization; and job dissatisfaction make employees to quit.

**2.2.5 Work Environment:** If working conditions are substandard or the workplace lacks important facilities such as proper lighting, furniture, restrooms and other health and safety provisions, employees will not be willing to put up with the inconvenience for long time. Shamsuzzoh & Sumon, (2010). Organizational instability has been shown to have a high

degree of turnover. Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). Alexander et al., 1994 states that in organizations where there was a high level of inefficiency there was also a high level of staff turnover. Shamsuzzoh & Sumon, (2010), describes that turnover particularly arises from unhappiness from job place. In contrary employee also pushed to leave job due to the dissatisfaction in their present workplace.

Too much turnover is not only costly, but it can also give an organization a bad reputation. However, there is also good turnover, which occurs when an organization finds a better fit with a new employee in a certain position. Good turnover can also transpire when an employee has outgrown opportunities within a certain organization and must move forward with his or her career in a new organization.

### **2.3 Conceptual Review of Employee Turnover**

Employee turnover is described as employees who have left, are leaving and will leave an institution for various reasons (Grobler, Warrnich, Elbert & Hatfield, 2006: 125). A similar definition is provided by Morrell, Loan-Clarke & Wilkinson (2001: 4) who state that turnover means voluntary cessation of membership of an organisation by an employee of that organisation.

Another study suggests that employee turnover is the rotation of workers around the labour market, between different companies, occupations and jobs, and also between states of employment and unemployment (Abassi & Hollman 2000: 333-342). Employee turnover is defined by Price (1989: 462) as being both “the entrance of new employees into the organisation and the departure of existing employees from the organisation”. Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained and this replacement cycle is known as turnover, according to Woods, as cited in Ongori (2007: 49).

## **2.5 Consequences of employee's turnover**

As Mobley (1982) stated that whether the turnover is voluntary or involuntary organizations has to bear following costs as recruiting, hiring, training, retaining, loss of productivity during replacement search, loss of high performers and disruption of social and communication structures of organizations. Similarly Gupta, Shaw, & Delery (2005) said employee turnover is a loss in terms of financial and institutional memory. Similarly Achoui and Mansour (2007) identified both positive and negative consequences of employee turnover. Negative consequences includes cost both tangible like recruitment, selection, training and production lost and intangible cost like moral impact, workload impact and performance disruption. The other costs are less discernable and harder to estimate but may entail large negative impacts on organizational effectiveness such as lost of customer, business and damaged morale (Heneman and Judge (2009).

Employees may take customers away from an organization if they have a good working relationship upon leaving their current employer will be lost as employees leave. Staff turnover could have a negative impact on remaining employees' morale, which may influence them to leave. In addition, De-motivated employees may become frustrated or defensive in their work and feel isolated from their colleagues, which create a hostile and an unworkable environment. Companies could face poor productivity and dissatisfied customers if they do not address these issues.

Excessive turnover is undesirable and expensive from the view of the organization (Flippo, 1980). Besides, organizations are nothing without its employee and difficult to survive in a competitive environment; hence, managers should play a big role to achieve the objectives of the organizations and treating their employees as one of their assets which needs a lot of attention (Samuel and Chipunza, 2009).

## **2.6 Employee retention mechanisms**

**Employee retention** refers to the ability of an organization to retain its employees and retention mechanisms are the strategies by which employers attempt to retain the employees in their workforce. Since retention of employees is one of the most important ongoing practices of human resource management, efforts to increase employee retention start with improving the recruitment and training process, but continue on to providing challenging, interesting work, a cooperative work environment, and comparable compensation programs (Irshad, 2009).

Mak and Sockel (2001) noted that retaining a healthy team of committed and productive employees is necessary to maintain corporate strategic advantage. Hence, organizations must design appropriate strategies to retain their quality employees. These strategies may range from lucrative compensation packages to involving employees in every sphere of the functioning of the organization.

The significant challenge for employers in managing retention of their employees is the fact that different employees are motivated by different factors relative to their desire to stay with an employer (Mello, 2011). Therefore any retention program needs to be designed based on the needs of the employees who have been targeted for retention. Heneman and Judge (2009) stated that retention strategies must focus not only on how many employees are retained but exactly who is retained.

Cappelli (1997) suggests a number of practical retention strategies that recognize labor market realities and value-differences between employee differences: new compensation plans, job redesign, job customization, strengthening social ties, and hiring the less mobile.

### **2.5.1 Basic Strategies to retain employees**

**2.5.1.1 Competitive and Fair Compensation:** is a fundamental starting point in most strategies to attract and retain good employees specially those employees whose gives outstanding performance or unique skill which is necessary to the organization because company finance more amount on their training and orientation (Lawler, 2005 and Smith, 2006). Also, companies

need to evaluate and modify their promotion policies in a fair way which would enable promotions for candidates only on the basis of employee performance (Rampur, 2009). Besides, employers would be able to retain and attract well-qualified and professional employees if they would make it a point to offer salaries that would be competitive in order to achieve better financial position.

**2.5.1.2 Recognition and Rewards:** For well-done employees were found to have significantly accelerates retention of employees in the organization. Rotundo (2002) in his study contends that reward systems should be a weighty domain of innovation for employer. Recognition and Rewards include a diverse range of formal and informal, financial and non-financial incentives given to individual employees or groups of employees or to an entire staff.

**2.5.1.3 Training, Professional Development, and Career Planning:** Are effective ways to enhance employee retention? Training constitutes a visible investment that the company makes in the worker, providing him or her with new skills, and greater competencies and confidence. Many have put in place effective internal promotion programs that allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within the company (Dobbs, 2001). Catherine (2002) indicated that career development plan for the employees play a vital role in the retention of employees. Providing these career development opportunities helps to restrict employees from leaving the organization and increase in loyalty.

**2.5.1.4 Orientation:** Good initial orientation to the newly-hired employee can not only help to effectively integrate that person into the workplace but can also help to make the new person feel welcome and provide him or her information about how to cope with the demands of the workplace, and any possible problems that may arise. The employee customizes the work environment as soon as possible through induction process and it can help to retain employees to employer (Robbins, 2003).

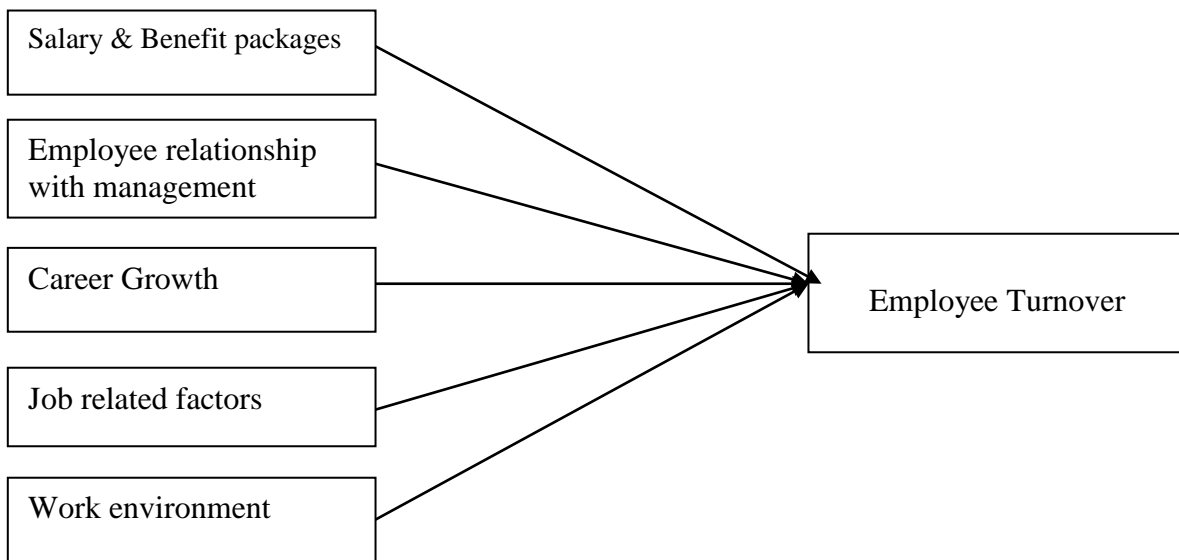
**2.5.1.5 Conducive Working environment:** Is a variety of forms, including those directed at the physical work environment (cleanliness, safety, ergonomics, etc.); health practices (supporting

healthy lifestyles, fitness, etc.); and social environment and personal resources (organizational culture, a sense of control over one's work, employee assistance programs, etc.). Healthy workplace initiatives not only improve health and well-being of individual employees, but contribute to business performance objectives including employee retention (Rehman, 2012). The researcher is forming the conclusion that flexible work schedule will increasingly be an important issue in the efforts to retain an organization's critical employees (Dobbs, 2001). Hannay & Northan (2000) argued that future opportunities for the employees also help in retaining employees because these opportunities are associated with more pay, additional work responsibilities, superior work environment and different incentives plans. Many interventions designed to make the workplace more hospitable can lead to improved retention (Griffeth & Hom, 2001).

## 2. 6. Conceptual Framework

After reviewing research papers, the following factors are identified and systematically categorized by researcher to be a factors influencing turnover. These are; salary and benefit packages, employee relationship with management, career growth, Job related factors and work environment are the key influencing factors of employee turnover. Thus, these factors are the basis for the conceptual frame work for this study.

Figure 2.1: Conceptual model for employee turnover in this study



## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This chapter deals with the research design, area of study, population, the sample size and sampling techniques, the sources of data, collection methods and data analysis. Besides, the research instrument and how it was administered are also effectively mentioned.

#### **3.1. Area of the Study**

Commercial bank of Ethiopia is the biggest government owned bank which has over 32,739 employees and 1,280 branches scattered all over the country and abroad ( annual report of June 2018). The study is conducted in Addis Ababa, Ethiopia on employees working in four selected head office departments (Credit, HRM, IS and TS) and four branches from four districts operating in Addis Ababa. Departments at the head office and branches in Addis Ababa area selected for this study. The head office and branches in Addis Ababa are selected for the study because the head offices organs are the place where policy, procedures and manuals are produced. More over the head office and branches in Addis Ababa are long established and have the largest number of employees compared to outlying branches. Lastly, a relatively more job offers by competitor banks and other organizations are likely to experience high employee turnover for these branches and head office.

#### **3.2 Research design**

According to Churchill (2002), a research design is a master plan specifying methods and procedures for collecting and analyzing the required data. It is a means that is to be followed in completing a study. The research design helps the researcher to obtain relevant data to fulfill the objectives of the study (Churchill and Lacobucci, 2002). This study used a descriptive quantitative research design. This is because descriptive studies are concerned with specific predictions, narrations of facts and characteristics concerning individuals, groups or situations.



Thus, this study adhered to the descriptive research design and the purpose of this study was to assess employee turnover and retention in commercial bank of Ethiopia.

### **3.3. Research Approach**

Quantitative research approach was utilized to conduct this study. The quantitative approach was applied to assess employee turnover and retention practices in commercial bank of Ethiopia by using structured and semi structured questionnaires.

### **3.4 Study Population**

According to Cooper and Schindler (2008) population is defined as the total collection of elements under study whereby references have to be made. The source of population for this study is employees' working in Commercial Bank of Ethiopia and the study population is employees working at selected from both core and support process of head office departments /Credit, Human Resource Management/HRM/, Information System/IS/, Trade Service/TS/ and branches from four districts operating in Addis Ababa area. The researcher took sample branches from each district based on convenient, i.e Addis Ababa, Finfine, Anwar Mesgid, and Meskel Square from North, South, West, and East Addis Ababa districts respectively.

### **3.5 Sample and Sampling Procedures**

In a research study, sampling is defined as the process of selecting respondents for a study in such a way that the respondents selected are a representative of the whole population (Mugenda & Mugenda, 2003). Sampling procedure may be defined as a systematic process of individuals for a study to represent the larger group from which they are selected (Cooper and Schindler, 2008). They all define a sample as the method of selecting a portion of the population for conducting a study in order to represent the population adequately since it is impossible to take the entire population because of time, financial factors and errors which can discourage the researcher. Employees are stratified based on departments and branches of the bank and random

sampling are used to select respondents from the departments and branches. This method was adopted in order to ensure that the right employee are indeed sampled (i.e., to obtain a greater degree of representation) so as to address the question of interest and to give equal chance of employees' participation in the study and also to decrease sampling error.

The average turnover rate of CBE (HR data) in this study is 3.5%. The sample size is calculated using Cochran (1997) method of Sample determination with the following assumptions: For this research assume the variability of 8% is considered to get adequate number of sample size. Using the estimated average proportion of employee turnover (i.e.  $p=0.08$ ,  $q=1-p$ ) tolerance error of 0.05 and level of significance  $\alpha = 0.05$  (two tailed Z-value is 1.96), and confidence level of 95% ( $e=0.05$ ). Using Cochran's formula I got the following as a representative sample for proportion as:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where

- $e$  is the desired level of precision (i.e. the margin of error),
- $p$  is the (estimated) proportion of the population which has the attribute in question,
- $q$  is  $1 - p$ .

$$\begin{aligned} \text{Sample size} &= \frac{(z^2 * p * (1-p))}{e^2} \\ &= \frac{(1.96)^2 * 0.08 * 0.92}{(0.05)^2} = 113 \end{aligned}$$

Number of employees selected for questionnaire from each department was taken in the following manner.

**Proportion of selected employees**

<b>No.</b>	<b>Department/Branches</b>	<b>No. of Employees</b>	<b>Sample used</b>
1	Credit Management & Credit Appraisal	278	28
2	Human Resource Management	117	12
3	Information System	195	20
4	Branch Operation	359	36
5	Trade Service /International Banking Dept./IBD/	168	17
	Total	1,117	113

According to the data taken from the human resource transaction Management, the number of employees working in Corporate and Business Loan Departments are 278, in Human Resource Management 117, Information System 195 and 168 in Trade Service and a total of 359 employees from selected four branches, these are 100 employees at Finfine branch, 169 employees at Addis Ababa branch, 44 employees at Anwar Mesgid branch 46 employees at Meskel square branch. Based on the above distribution, the researcher prepared 125 questioners with the assumption of 10% contingency for the properly unfilled questionnaires and unreturned. 125 employees were randomly selected to participate in self-administered questionnaire to understand about factors influencing employee turnover. From the distributed 125 questionnaires, 7 questionnaires that were not correctly filled were dropped out so that they would not give wrong conclusions and 5 questionnaires are not returned.

**3.6. Data source and type**

The data for the study was collected from primary and secondary sources. Primary data was gathered by using questionnaires which were administered to the targeted respondents. The choice of using questionnaires as method of data collection considered the fact that a bank is a very busy working place and employees have a limited time. Therefore, questionnaires were distributed among the respondents who found their own convenient time to fill.

**The primary data:** is collected through questionnaires filled by employees of the bank contains three Sections.

**Section one:** includes different personal and demographic variables. This section contains the respondent's information about age, gender, marital status, Education, and Job title.

**Section two:** includes variables that are prepared to ask respondents to answer the factors influencing employee turnover. Questions are measured by using a 1-5 Likert-scale. Each question is assigned a number 1- strongly disagree, 2- disagree, 3- neutral, 4- agree and 5- strongly agree. This section consists of 39 questions for employees to identify factors influencing employee turnover and retention practice in seven dimensions. These are: salary and benefit packages, employee relationship with supervisor, career growth, job related factors, working environment, degree of intention to leave, and employee turnover perception.

**Section three:** contains four open ended questions that are going to answered by Staff Benefit Team Leader under Human Resource Management Department.

**Secondary data:** quarterly and annual reports of CBE from human resource management and MIS departments were reviewed.

### **3.7. Data capturing instrument**

The researcher used questionnaire, quarterly and annual reports of the bank for this study. The questionnaires are adopted from the researches done on private bank (Biruk Wallelegn, 2013) and Public Organization (Bewketu Kebede, 2017). The researcher adopted as it was appropriate to gather information required. However, the researcher made some adjustments on the questionnaires after distributing and testing five sample questionnaires.

### 3.8. Data Collection Methods

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate the outcomes (Cooper and Schindler, 2008). For this study the primary data collection method was carried out using questionnaire. This was accomplished by approaching employees within sampled head office and branches, explaining the objective of the research and handing them the questionnaire to fill.

### 3.9. Validity and Reliability Issues

Reliability test of data was done using Cronbach's alpha and it was found to be  $\alpha = .814$  which shows the questionnaire is reliable. Therefore, this is acceptable according to many research cut of value of  $>0.7$  (George and Mallery (2003).

**Reliability Statistics**

Cronbach's Alpha	N of Items
.814	5

### 3.10. Data Analysis Technique

Data analysis means the categorizing, ordering and summarizing of data to get answers to research questions (De Vos, AS, Strydom, H, Fouche, CB & Delport, CSL, 2005). The researcher used descriptive analysis technique to identify the background of respondents in the aspect of age, gender, marital status, education, experience, job title, and qualification. Data analyzed by using descriptive statistics which includes calculating the number and percentages, frequency distribution tables, Mean and Cronbach's Alpha is used to test the reliability of the result.

### **3.11. Ethical Issues of the Study**

Written letter was obtained from AAU College of Business and Economics, and from Human Resource Development – Training Operation division of CBE. Personal identifier from the questionnaire was removed to ensure the confidentiality of information and keep respondents against any possible adverse effect from participating in this study.

## **CHAPTER FOUR**

### **Data Presentation, Analysis and Interpretation**

This chapter is the main part of the study. It is concerned in data collection, presentation, analysis and interpretation. First presents the profiles of the respondents and then presents the descriptive analysis and interpretation of the findings of factors influencing employee turnover and retention practices in Commercial Bank of Ethiopia.

#### 4.1 Descriptive Analysis the data

**Table 4. 1 Distribution of respondent by Socio demographic variables**

<b>Demographic Variable</b>	<b>Frequency</b>	<b>Percentage /%/</b>	
<b>Age(years)</b>	20-30	57	50.4
	31-40	42	37.2
	41-50	14	12.4
	Total	113	100.0
<b>Gender</b>	Male	61	54.0
	Female	52	46.0
	Total	113	100.0
<b>Marital Status</b>	Single	55	48.7
	Married	57	50.4
	Widowed	1	.9
	Total	113	100.0
<b>Education</b>	Diploma	5	4.4
	Degree	83	73.5
	Masters	25	22.1
	Total	113	100.0
<b>Experience</b>	<5	21	18.6
	5-10	53	46.9
	10-20	32	28.3
	>20	7	6.2
	Total	113	100.0
<b>Department</b>	Credit	28	24.8
	Information System	20	17.7
	HRM	12	10.6
	Branch Operation	36	31.9
	IBD/International Banking	17	15.0
	Total	113	100.0
<b>Job Title</b>	Manager	8	7.1
	CRM	21	18.6
	Business & IT Officer	16	14.2
	CSM	8	7.1
	Officer	60	53.1
	Total	113	100.0



As shown on the table above 87.6 of the employees are below age 40 and the rest 12.4% lays from 41-50 age groups from randomly selected respondent. This represents that the majority of the respondents are young and energetic age groups, unless the bank utilizes properly, younger employees are more likely to resign than older employees this is because younger employees' have less family responsibility. Regarding to gender 54% of the respondents are males and 46% are female, this shows that male respondents are greater than by 8% than female. This shows CBE has encouraging practice about gender.

From the respondents 48.7% of employees are single and 50.4% are married and 0.9% is widowed. Family responsibility can be a factor to affect turnover as they are inclined to leave their job for better pays to support their families and on the contrary family responsibility may also be related to job security to stay at their job placement.

Regarding to educational levels of respondents, 73.5% of the respondents are first degree holders which is the majority and 22.1% are masters and only 4.4% are diploma. Depending on respondents' response, one can conclude that the organization is run by the educated personnel but, they are a threat for turnover in the competitive environment.

The majority of the respondents 46.9% have work experience from 5-10 years, 28.3% are from 10-20 years, 18.6% are less than 5 years and only 6.2% are have more than 20 year work experience. On the other hand 67.3% of the respondents are officer levels. Thus, similar to younger age or new blood workforce group above it can be possible to generalize that younger have the probability of getting better opportunities from the competitive market.

## 4.2 Descriptive analysis of factors influencing employee turnover

**Table 4.2 Salary and benefit packages as factor for employee turnover**

Questions	Strongly disagree		Dis-agree		Neutral		Agree		Strongly agree		Total %
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	
1. I am happy with my salary as I am well paid in CBE in comparison to my experience, responsibilities and qualification	41	36.3	38	33.6	14	12.4	20	17.7			100.0
2. The amount of pay I receive for my job in CBE is equal to others doing similar work in other commercial banks	42	37.2	46	40.7	12	10.6	12	10.6	1	0.9	100.0
3. The number of vacation, sick leave and insurance policy /safety, health/ given by the bank is adequate	10	8.8	12	10.6	17	15.0	56	49.6	18	15.9	100.0
4. I am happy with benefits given by CBE in terms of school fee, leave for exams and subscriptions	27	23.9	47	41.6	22	19.5	16	14.2	1	0.9	100.0
5. I am happy with CBE's support for Loans –housing, vehicle, personal and staff loans	9	8.0	16	14.2	22	19.5	54	47.8	12	10.6	100.0
6. I feel that the performance bonus structure is fairly rewards my effort	12	10.6	20	17.7	27	23.9	43	38.1	11	9.7	100.0

### Mean of Salary and benefit packages

	I am happy with my salary as I am well paid in CBE in comparison to my experience, responsibilities and qualification	The amount of pay I receive for my job in CBE is equal to others doing similar work in other commercial banks	The number of vacation, sick leave and insurance policy /safety, health/ given by the bank is adequate	I am happy with benefits given by CBE in terms of school fee, leave for exams and subscriptions	I am happy with CBE's support for Loans – housing, vehicle, personal and staff loans	I feel that the performance bonus structure is fairly rewards my effort
N Valid	113	113	113	113	113	113
N Missing	0	0	0	0	0	0
Mean	2.12	1.97	3.53	2.27	3.39	3.19

As shown on the above table the response for each influencing factor under salary and benefit packages, salary holds the major percentage, which is 70% of employees, responded as they are not happy with their salary and only 17.7% of the respondents are happy with their salary and the remaining 12.4% are neutral. Besides the mean value ( $M=2.12$ ) this implies the respondents are disagree with their salary. On the other hand 77.9% of them responded their payment is not equal to the pay provided by other banks for similar job, but 11.5% who responded that it is equal and 10.1% are neutral. This implies that other commercial banks' have better salary scale compared to CBE. Also, the mean value ( $M=1.97$ ) this shows that the view of the respondents that they are disagree about the amount of pay that they receive compare to other banks or are not equal. When employees are not happy with the payment and benefit packages and their salary is not competitive enough with the market based on their experience and qualification, they may look for better salary from the competitive market. As indicated in table 2 above, salary & benefit is factor for turnover in CBE as the employees are not happy with salary and benefit packages provided by CBE. Inequality of payment among different banks for similar work is a potential influencing factor to look other job opportunity in competing environment. Therefore CBE needs to revise its salary scale to retain its employees.

About 65.5% of the respondents are happy with the health insurance policy and 19.4% are not happy others which are 15% are neutral. The mean value (3.53) shows that their agreement on the issue. On the other hand 65.5% of the respondents are not happy with school fee and 15.1% only happy and the remaining 19.5 are neutral and the mean value ( $M=2.27$ ) shows respondents disagree with the benefit packages. Thus the bank should encourage the health insurance further and enhance the school fee.

**Table 4.3 Relationship of Employee with Supervisors as factor for employee turnover**

Questions	Strongly disagree		Dis-agree		Neutral		Agree		Strongly agree		Total
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	
1. My supervisor/ the management of the bank shows a genuine interest in fixing the issues/problems I encountered in job-related problem	10	8.8	13	11.5	27	23.9	54	47.8	9	8.0	100.0
2 My supervisor is available when I have questions or need help	5	4.4	8	7.1	24	21.2	62	54.9	14	12.4	100.0
3 My supervisor keep me well informed on work issues and treats fairly and respectfully	6	5.3	12	10.6	19	16.8	61	54.0	15	13.3	100.0
4 My supervisor motivates and gives me it freedom to exercise initiatives and time for self-approach to work	4	3.5	12	10.6	31	27.4	53	46.9	13	11.5	100.0

**Mean of Employee Supervisor relationship**

	My supervisor/ the management of the bank shows a genuine interest in fixing the issues/problems I encountered in job-related problem	My supervisor is available when I have questions or need help	My supervisor keep me well informed on work issues and treats fairly and respectfully	The feedback I receive from my supervisors is supportive and encouraging type	My supervisor motivates and gives me freedom to exercise initiatives and self-approach to work
N	Valid 113	113	113	113	113
	Missing 0	0	0	0	0
Mean	3.35	3.64	3.59	3.58	3.52

As shown in the above table the relationship of employee with supervisor 55.8 % of employees agree that their supervisor shows a genuine interest in fixing job related problems, 67.3% are agree with the availability of their supervisor assistance, 67.3% respondents are agree that they are fairly and respectfully treated by their supervisor, 58.4% are also agree as they get supportive and encouraging feedback from their supervisor. On the other hand 23.9%, 21.2%, 16.8%, and 27.4% of the respondents are neutral for the employee supervisor relationship respectively. Thus, the majority of the respondents are happy with the relationship that they have with their

supervisors. The mean value of respondents indicates that their agreement on this issue. It can be possible to conclude employee supervisor relationship is not likely an influencing factor for employee turnover in CBE. However, the management encourages this relationship for further enhancement.

**Table 4.4 Career Growth as factor for employee turnover**

Questions	Strongly disagree		Dis-agree		Neutral		Agree		Strongly agree		Total
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	
1. The bank arranges continuous training and development programs to enable my professional growth	14	12.4	15	13.3	17	15.0	56	49.6	11	9.7	100.0
2. There are promotion opportunities and clarity in procedures for promotions	24	21.2	47	41.6	27	23.9	13	11.5	2	1.8	100.0
3. when there is promotion opportunity the consideration is equal for other employees	23	20.4	39	34.5	32	28.3	17	15.0	2	1.8	100.0
4. I feel that I am rewarded with better appraisal rates and grade promotions based on my actual performance	20	17.7	37	32.7	38	33.6	16	14.2	2	1.8	100.0

**Mean of Career growth**

	The bank arranges continuous training and development programs to enable my professional growth	There are promotion opportunities and clarity in procedures for promotions	when there is promotion opportunity the consideration is equal for other employees	I feel that I am rewarded with better appraisal rates and grade promotions based on my actual performance
N Valid	113	113	113	113
N Missing	0	0	0	0
Mean	3.31	2.31	2.43	2.50

As shown in table 4 above career growth as factor for influencing employee turnover 59.3% of respondents agree for the question that the bank arranges continuous training and professional

development programs but 27.4% disagree and the remaining 15% are neutral. The response indicates that the bank is good in continuous training and development program. On the other hand, 62.8% are not happy with the promotions opportunities and clarity on the procedures for promotions but 13.3% are happy and 23.9% are neutral. About 54.9% of respondents feel that promotion opportunities are not equal for all employees, 16.8% feel that promotion concern is fair, the remaining 28.3% are neutral. Besides 50.4% of the respondents feel that they are not rewarded with better appraisals and grade promotions based on their actual performance, 16% are happy with the appraisal and promotions they received but 33.6% are neutral. The mean value of career growth also shows that the respondents are disagreeing except on continuous training and development program. From this it can be possible to conclude that the bank is not giving equal promotion opportunity and the appraisal is not based on employee performance. Thus the bank has to review its promotion procedures and offer equal, consistent, and clear path for career advancement or promotion opportunities to reduce employee turnover.

**Table 4.5 Job Related Factors as influencing factor for employee turnover**

Questions	Strongly disagree		Dis-agree		Neutral		Agree		Strongly agree		Total
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	
1. My job placement is according to my skill, experience and qualification	13	11.5	17	15.0	34	30.1	43	38.1	6	5.3	100.0
2. I am cleared about my job description when I was hire	8	7.1	22	19.5	24	21.2	45	39.8	14	12.4	100.0
3. I am happy with the nature of my job/work	8	7.1	19	16.8	27	23.9	53	46.9	6	5.3	100.0
4. I feel my job is secure	13	11.5	29	25.7	25	22.1	35	31.0	11	9.7	100.0
5. I am not stressed at work as I have enough time to get everything done on my job	18	15.9	25	22.1	28	24.8	37	32.7	5	4.4	100.0
6. I feel that the amount of workload is reasonable and sound	20	17.7	23	20.4	31	27.4	36	31.9	3	2.7	100.0

### Mean of Job related factors

		My job placement is according to my skill, experience and qualification	I am cleared about my job description when I was hire	I am happy with the nature of my job/work	I feel my job is secure	I am not stressed at work as I have enough time to get everything done on my job	I feel that the amount of workload is reasonable & sound
N	Valid	113	113	113	113	113	113
	Missing	0	0	0	0	0	0
Mean		3.11	3.31	3.27	3.02	2.88	2.81

With regard to job related factors 43.4% of respondents are agree with their job placement that is according to their qualification, skill and experience, but 26.5% are disagree and the remaining 30.1% are neutral. This shows that average number of employees is to some extent satisfied with their job placement. About 52.2% of the respondents are cleared about their job description at the time hiring, but 26.6% of the respondents are disagree and 21.2% are neutral. Regarding to the nature of job, 52.2% of respondents are happy with nature of their job but 23.9% are not happy and 23.9% are neutral. Thus it is possible to say that the majority of employee of the bank under study is happy by the nature of their job. From the respondents 40.7% responds that their job is secured but 37.2% responds as their job is insecure and the remaining 23.9% are neutral. In this case significant number of employees feels their job insecure and neutral, its mean value also shows (M= 3.2). Thus the bank has to work towards job security to make its employees comfortable. About 37.1% respondents agree that they are not stressed by their job and 38% disagree as they are stressed and 24.8% are neutral. Thus the data shows significant numbers of employees under study are disagreeing or they are stressed at work, the mean value also (M=2.88) and the bank should work towards minimizing stress. On the other hand about 38.1% of the respondents disagree about the reasonable work load, 34.6% responds that they are agree with reasonable workload, the remaining 27.4% are neutral, the mean value (M=2.81) show disagreement. Though the overall job related factors are not considered as a main factor for employee turnover in this study. Thus the bank should work minimizing stress and providing job security and develop sense of belongingness among employees.

**Table 4.6 Working Environment as influencing factor for employee turnover**

Questions	Strongly disagree		Dis-agree		Neutral		Agree		Strongly agree		Total
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	
1. The working environment is conducive for the employees	12	10.6	28	24.8	20	17.7	47	41.6	6	5.3	100.0
2. There is adequate equipment, supplies and enough support services when I need on my job	13	11.5	15	13.3	20	17.7	56	49.6	9	8.0	100.0
3. I feel my job/work is recognized by the bank/supervisor	7	6.2	17	15.0	31	27.4	49	43.4	9	8.0	100.0
4. I am involved in decision making	17	15.0	35	31.0	28	24.8	29	25.7	4	3.5	100.0
5. I feel the bank is fair in general and treat employees fairly	14	12.4	33	29.2	43	38.1	18	15.9	5	4.4	100.0
6. I am glad that I chose CBE to work for, over other banks	14	12.4	23	20.4	31	27.4	32	28.3	13	11.5	100.0
7. The bank /CBE/has good retention mechanisms	19	16.8	44	38.9	31	27.4	16	14.2	3	2.7	100.0
8. I'm satisfied with promotional activities of the CBE	23	20.4	44	38.9	26	23.0	15	13.3	5	4.4	100.0
9. Promotion and transfer is carry out as per the HR procedure	19	16.8	23	20.4	50	44.2	15	13.3	6	5.3	100.0

**Mean of working environment**

	The working environment is conducive for the employees	There is adequate equipment, supplies and enough support services when I need on my job	I feel my job/work is recognized by the bank/supervisor	I am involved in decision making	I feel the bank is fair in general and treat employees fairly	I am glad that I chose CBE to work for, over other banks	The bank /CBE/has good retention mechanisms	I'm satisfied with promotional activities of the C	Promotion and transfer is carry out as per the HR procedure
Valid	113	113	113	113	113	113	113	113	113
N Missing	0	0	0	0	0	0	0	0	0
Mean	3.06	3.29	3.32	2.72	2.71	3.06	2.47	2.42	2.70



As indicated in table 6 above 46.9% of the respondents believe that the working environment is conducive but 35.4% disagree and the remaining 17.7% are neutral. This shows that significant number of employee disagree that their working environment is not conducive. Thus conducive work environment is vital as its impact upon the ability of the individual to take control of their work and the level of stress they experience within the workplace (Warr, 2002). Therefore, the bank has to work to create conducive working environment for employees and become competitive in the banking industry. About 57.6% of the respondents agree that they have adequate supplies and support services on their job and 24.4% disagree that they face to get supplies and equipment's and the remaining 17.7% are neutral. From this it possible to generalize that the majorities of respondents are satisfied with the supplies and support services in their job.

From the respondents, 51.4% feel that their work is recognized by the supervisor, 21.2% disagree and 27.4% are neutral. Regarding to involvement in decision making 46% of the respondents says that they are not involved in decision making, 29.2% agree that they are involving in decision making but 24.8% are neutral. Thus, the bank has to involve employees in decision making at their limit and this increases their motivation, commitment and develop sense of belongingness.

About 40% of the respondents are glad that they chose CBE to work for, over other banks, 32.8% disagree and 27.4% are neutral. This implies that significant number of employees are disagree that they chose the bank to work for than other commercial banks. Thus the bank should give attention to build employees' trust on their banks. Concerning to retention mechanisms 55.7% of the respondent' disagree about the banks' retention mechanism, and only 16.9% agree and the remaining 27.4% are neutral. This implies that the majority of respondents believe that the bank has no good retention mechanisms and should give attention and evaluate its retention practice to decrease employee turnover.

As shown in the above table 59.3% respondents are not satisfied on promotional activities of the bank and only 17.3% are satisfied the remaining 23% are neutral. On the other hand only 37.2% respondents are clear that promotion and transfer is carry out as per the human resource procedure and significant number of respondents which are 44.2% are neutral. The mean value of the working environment shown above is disagreement. Thus the bank needs to work towards creating good work environment to reduce employee turnover.

**Table 4.7 : Intention of employees to leave the bank**

Questions	Strongly disagree		Dis-agree		Neutral		Agree		Strongly agree		Total
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	%
1 I have intention to resign from CBE within a shorter time	8	7.1	23	20.4	41	36.3	26	23.0	15	13.3	100.0
2 Whenever I get a job in another bank definitely I leave this bank	7	6.2	21	18.6	30	26.5	41	36.3	14	12.4	100.0
3. I am being dissatisfied working for CBE due to different reasons, so I would probably look for outside opportunities	9	8	22	19.5	23	20.4	44	38.9	15	13.3	100.0

**Mean of Intention of employee to leave the bank**

	I have intention to resign from CBE within a shorter time	Whenever I get a job in another bank definitely I leave this bank	I am being dissatisfied working for CBE due to one or other reasons, so I would probably look for outside opportunities
N Valid	113	113	113
Missing	0	0	0
Mean	3.15	3.30	3.30

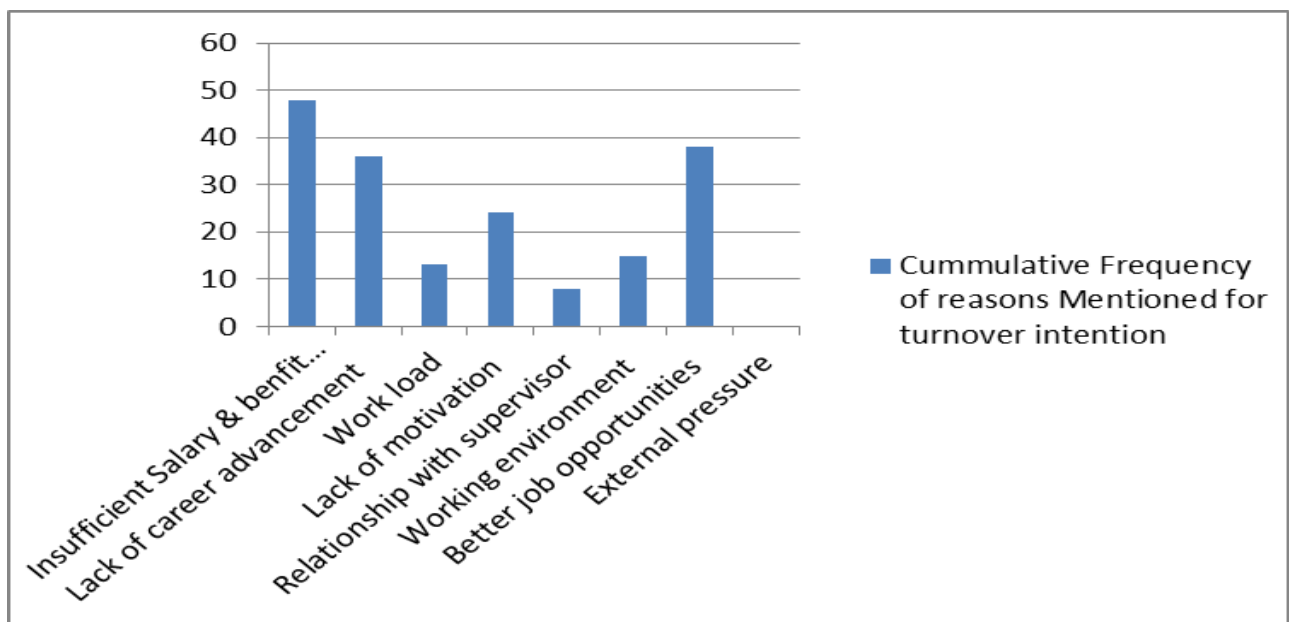
As shown in the table above 36.3% of the respondents have intention to leave the bank in the short period while 48.7% is agree to leave the bank when they get job but 24.8% disagree and the remaining 26.5% are neutral. On the other hand 52.2% of respondents searching for alternative job but 27.5% disagree and the remaining 20.4% are neutral. Based on this result it is possible to

conclude that, large number of employee have intention to leave. The mean value also shows that the respondents are agreed on intention to leave the bank. Therefore the bank’s human resource management needs to examine the factors that influence employees’ intention to leave the bank and formulate possible retention mechanisms.

**Table 4.8. Intention of employees any time in the future**

Variable	Yes		No		Indifferent		Total
	Fr	%	Fr	%	Fr	%	%
Do you have intention to leave CBE at any point of time in the future?	57	50.4	15	13.3	41	36.3	100.0

**Figure 4.1 Factors of employees’ turnover Intention**



- Indifferent, no response, and those respond yes but not select their reason, and those select no and indifferent but select reasons are excluded.

Table 8 above shows that 50.4% of employees have intention to leave. Also the graph above confirms that insufficient salary and benefits packages, better job opportunities and lack of career advancement which comprising 48%, 38% and 36% respectively are the main factors for

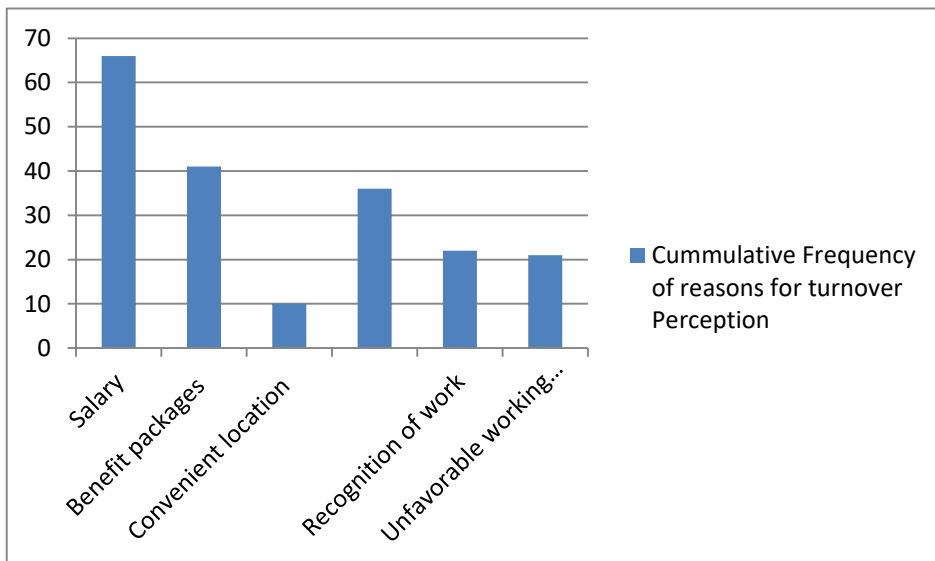
employee turnover intention as mentioned by the respondents. Also staff benefit team leader of HRM responded that even if turnover caused by different factors like better opportunities and career growth, lack of transfer from outlying branches etc. the main reason could be salary and benefit packages Thus high employee turnover intention is a risk for the bank in this competitive banking industry and the bank should give due attention for factors turnover in order to retain its qualified and experienced employees.

**Table 4.9 Employee perception about turnover in CBE**

Variable	Yes		No		Total
	Fr	%	Fr	%	%
Do you believe that there is high employee turnover in CBE?	76	67.3	37	32.7	100.0

Data shown from the above table is 67.3% of the respondents believes that there is high employee turnover and the remaining 32.7% are responds no turnover.

**Figure 4.2 Factors of employee turnover perception**



- Those respond No but mention the reasons for turnover are excluded from the figure.

The graph above shows that salary benefit packages and better opportunities are the major factors of employee turnover perception as mentioned by the respondents.

**Table 4.10 Employee perception about the banks retention mechanism**

Variable	Yes		No		Indifferent		Total
	Fr	%	Fr	%	Fr	%	%
1. Do you think the bank gives a lot importance to & take care of its human resource?	21	18.6	71	62.8	21	18.6	100.0
2. Can the bank retain its employees using some motivating tools?	26	23.0	66	58.4	21	18.6	100.0

As indicated in table 10 above 62.8% of respondents perceive that the bank doesn't give to take care of its human resource and 58.4% of the respondents perceive that the bank doesn't practice motivating tools to retain its employees. However, staff benefit team leader responds that employee turnover is known and they believe that up 5% turnover rate is normal and acceptable. The team leader also responded that the costs incur because of turnover is relatively high and this is due to large continuous recruitment and severance pay. Thus it can be possible to conclude that CBE doesn't focus on factors influencing employee turnover since the bank depends on the standard and acceptable rate. But it is critical for senior, managerial and professional staffs even though the rate is 3.5% that is less than the standard and acceptable rate, this is because of large and continuous recruitment.

## **CHAPTER FIVE**

### **Summary, Conclusion and Recommendations**

This is a concluding chapter; it presents the summary of findings, conclusions and recommendations of the study.

#### **5.1 Summary of Findings**

The socio demographic characteristics of the respondents of the study found out that the majority age group is between 20-30 which constitutes 50.4% that commercial bank of Ethiopia is composed of young energetic and productive workforces. Concerning to gender 54% of respondents is male and 46% are female. This shows CBE has encouraging practice about gender equality. As to their marital status is concerned, there are almost equal numbers of single and married respondents which is 48.7% is single and 50.4% are married. Regarding to educational background 95.6% of the respondents are first and second degree holder. Besides 81.4% of the respondents have served the bank between five to twenty years, this shows that the bank has qualified and experienced staff that enables it competent in the industry.

The study findings revealed that salary and benefit packages of commercial bank of Ethiopia, 70% of employees are not happy and 77.9% of the employee believes the amount of pay they received for their job is not equal to others doing similar work in other commercial banks. This implies that when employees are not happy with their salary and benefits compare to others banks in the industry and they may decide to leave the bank and look for better salary and benefit packages. Similarly, 65.5% are not happy with school fee, leave for exams. However, CBE's health, insurance policy and support for different staff loan arrangements are good and encouraging. Employee supervisor relationship, the study indicates that the relationship between employees and supervisors are found to be in good position and about 67.3% of respondents are agreed that they are fairly and respectfully treated and supported by their supervisor.

With regard to career growth, 62.8% respondents are not happy with the promotions opportunities and clarity on the procedures for promotions and about 54.9% of respondents feel that promotion opportunities are not equal for all employees. In addition 50.4% of the respondents feel that they are not rewarded with better appraisals and grade promotions based on their actual performance. This implies that the bank has no clear and transparent promotion and reward policy. However, the majority of respondents are happy with the continuous training and development programs.

Concerning job related factors the study indicates that 52.2% of the respondents are cleared about their job description at the time of hiring, and happy with nature of their job. However, only 43.4% of respondents are agree with their job placement that is according to their qualification, skill and experience and 40.7% respondents are agree that their job is secured and 37.2% of employees feels their job are insecure.

According to the study findings, 51.4% of the respondents feel their work is recognized by their supervisor, besides 57.6% of the respondents agree that they have adequate supplies and support services on their job. However, only 46.9% of the respondents believe that the working environment is conducive, and 46% found they are not involved in decisions making.

The study indicates that 50.4% of respondents have intention to leave the bank and 67.3% of the respondents perceive that there are high employee turnover. Salary and benefit packages, better opportunities, and career advancement are the major stated factors for this turnover intention. On the other hand, 62.8% of respondents perceive that the bank doesn't give to take care of its human resource and 58.4% perceives the bank doesn't practice motivating tools to retain its employees. However, staff benefit team leader responds that to ensure satisfaction and retain existing employee, the bank has made a necessary assessment and reviewed its existing benefit packages these are Cash Indemnity, Housing and hardship allowance.

## 5.2 Conclusion

In the service sector specially in the banking industry, since there is a high level of customer contact, customers develop, build relationships and trust with employees of the organization and frequent change of these existing employees as a result of turnover can affect loyalty and commitment of customers in terms of continuous procurement of service from the organization Koys DJ (2001).

In this study the researcher has made an attempt to assess employee turnover and retention practices in Commercial Bank of Ethiopia. Quantitative data collected and analyzed by employing SPSS20 (Statistical Package for Social Science). Therefore, the researcher comes to conclusion based on the interpreted results of the findings.

- Salary and benefit packages of CBE are not attractive and competitive compare to other commercial banks with in the industry. As a result employee turnover intention to leave the bank is high, and they will leave the bank when they get better offer from the competitors or market. On the other hand the bank has good health insurance policy and support for different staff loan arrangements.
- Employee supervisor relationship is in good position and it is not considered as factor of employee turnover for this study. Thus the bank should encourage this practice for better enhancement.
- Career growth is considered as a significant influencing factor of employee turnover in CBE next to salary and benefit packages. The majority of respondents are not happy with the promotions opportunities and career advancement along with clarity on the procedure for promotion. On the other hand the bank gives a good continuous training and development programs.
- Job related factors as a whole are not considered as an influencing factor for employee turnover in this study, however, significant number of employees feels job insecurity, workload and stress.



- Working environment are considered as influencing factor for employee turnover, though employees are recognized by their supervisor and have adequate supplies and support serveries on their job, significant number of respondents disagree regarding conducive work environment, involvement in decision making, and disagree on their chose to work for CBE than other banks. Thus CBE should improve the working environment and give power to participate in decision making to make them to feel sense of belongingness to their organization.
- Employee intention to leave the bank is significantly high. This leads to actual turnover when they get better offer from the competitors or market.
- The perception of employees with regard to turnover is high and the majority believes the bank doesn't give to take care of its employee and doesn't utilize motivating tools to retain its employee. However, staff benefit team leader responds that to ensure satisfaction and retain existing employee, the bank has made a necessary assessment and reviewed its existing benefit packages these are Cash Indemnity, Housing and hardship allowance.

### 5.3 Recommendations

Based on the study findings and conclusions above, it is recommended that the following should be taken in order to address and overcome employee turnover at commercial bank of Ethiopia.

- Studies by various researchers reviewed on employee turnover shows that factors like salary and benefit packages are the major influencing factor of high employee turnover. Also in my study the findings showed salary and benefit packages of CBE are not competitive compare to other commercial banks with in the industry. Due to this employees are not happy by their salaries and have high turnover intention. If the bank doesn't offer good salaries and benefit packages, employees tend to look for jobs that pay better. In order to resolve this problem, the bank is needed to evaluate its salary policy based on clear job description, responsibility, level of education, skill, experience, and offer competitive enough as other commercial banks in the industry to retain well-qualified and experienced employees.
- Career growth is considered as a significant influencing factor of employee turnover in CBE next to salary and benefit packages based on my study result and this is due to inequity in promotion opportunities and lack of clarity in HR promotion procedures. Thus the bank has to review its promotion procedures and offer equal, consistent, and clear path for career advancement or promotion opportunities to reduce employee turnover based on year of service, academic achievement and performance appraisal to maintain clarity.
- Working environment has a major impact for effective & efficient service delivery. My study revealed that employees are recognized by their supervisor and have adequate supplies and support serveries on their job. However, significant numbers of employees are not happy by the working environment, and doesn't involve in decision making. Thus CBE should improve the working environment through managing workloads, treating people with respect and appreciation, giving power to participate in decision making to make them to feel sense of belongingness to their organization.
- Though the overall job related factors are not considered as a main factor for employee turnover in this study however, significant number of employees feels job insecurity.

Employees who are made to feel their jobs are unwarranted may look for more secured job. Thus the bank should work towards job security and develop sense of belongingness among employees.

- Employee intention to leave the bank is relatively high. This leads to actual turnover when they get better offer from the competitors or other institutions. Also the perception of employees with regard to turnover is high and the majority believes that the bank doesn't give to take care of its employee and doesn't utilize motivating tools to retain its employee. Salary and benefit packages, lack of better opportunities, and career advancement are the major stated factors for this turnover intention. Therefore, the bank has offer competitive salary, improve better opportunities, and career growth competitive enough with the market.

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**Addis Ababa University College of Business and Economics**  
**Masters of Business Administration**  
**Questionnaire to be filled by Employees of Commercial Bank of Ethiopia.**

Dear respondents:- This questionnaire is designed to assess Factors Influencing Employee Turnover and Retention practice: in the case of Commercial Bank of Ethiopia for partial fulfillment of my master' s degree in Business Administration. I am kindly requesting you to spare a few minutes of your precious time to fill the attached questionnaire as sincerely and truthfully as possible. The information given will be handled confidentially, and will only be used exclusively for research purpose.

Please don't write your name on the questionnaire.

Best Regards,

Denklesh Tsegaye

**Section I. Personal Profile/Information**

Instruction –circle where appropriate

1. Age: A. 20-30      B. 31- 40      C. 41-50      D. >50
2. Gender:    A. Male      B. Female
3. Marital status      A. Single B. Married      C. Divorced D. Widowed
4. Your level of education?  
A. Diploma    B. Degree      C. Masters    D. Ph.D      E. Other (specify)\_\_\_\_\_
5. Number of years working in CBE?  
A. < 5 years    B. 5 - 10 years      C. 10 - 20years      D. > 20 years
6. Department:\_\_\_\_\_
7. Job title \_\_\_\_\_

## Section II. Question on Employee Turnover

The following questions are designed to get your views regarding some of the causes of employee turnover and retention practice in CBE. Please tick the options that fits to your opinion based on the following scale.

**5 = Strongly Agree 4= Agree 3= Neutral (neither agree nor disagree) 2= Disagree 1= Strongly Disagree**

I	Salary and other benefits related questions	1	2	3	4	5
1	I am happy with my salary as I am well paid in CBE in comparison to my experience, responsibilities and qualification					
2	The amount of pay I receive for my job in CBE is equal to others doing similar work in other commercial banks					
3	The number of vacation, sick leave and insurance policy /safety, health/ given by the bank is adequate					
4	I am happy with benefits given by CBE in terms of school fee, leave for exams and subscriptions					
5	I am happy with CBE's support for Loans –housing, vehicle, personal and staff loans					
6	I feel that the performance bonus structure is fairly rewards my effort					
II	Relationship of employee and management					
1	My supervisor/ the management of the bank shows a genuine interest in fixing the issues/problems I encountered in job-related problem					
2	My supervisor is available when I have questions or need help					
3	My supervisor keep me well informed on work issues and treats fairly and respectfully					
4	The feedback I receive from my supervisors is supportive and encouraging type					
5	My supervisor motivates and gives me freedom to exercise initiatives					



	and self-approach to work						
<b>III</b>	<b>Career growth in CBE</b>						
1	The bank arranges continuous training and development programs to enable my professional growth						
2	There are promotion opportunities and clarity in procedures for promotions						
3	when there is promotion opportunity the consideration is equal for other employees						
4	I feel that I am rewarded with better appraisal rates and grade promotions based on my actual performance						
<b>IV</b>	<b>Job related factors</b>						
1	My job placement is according to my skill, experience and qualification						
2	I am cleared about my job description when I was hire						
3	I am happy with the nature of my job/work						
4	I feel my job is secure						
5	I am not stressed at work as I have enough time to get everything done on my job						
6	I feel that the amount of workload is reasonable and sound						
<b>V</b>	<b>Working environment and organizational factors</b>						
1	The working environment is conducive for the employees						
2	There is adequate equipment, supplies and enough support services when I need on my job						
3	I feel my job/work is recognized by the bank/supervisor						
4	I am involved in decision making						
5	I feel the bank is fair in general and treat employees fairly						
6	I am glad that I chose CBE to work for, over other banks						
7	The bank (CBE) has good retention mechanisms						
8	I'm satisfied with promotional activities of the CBE						
9	Promotion and transfer is carry out as per the HR procedure						

**VI. Intention to leave CBE**

1. I have intention to resign from CBE within a shorter time.
  1. Strongly disagree      2. Disagree 3. Neutral 4. Agree 5. Strongly agree
2. Whenever I get a job in another bank definitely I leave this bank
  1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree
3. I am being dissatisfied working for CBE due to different reasons, so I would probably look for outside opportunities
  1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree

**VII. Intention any time in the future**

1. Do you have intention to leave CBE at any point of time in the future?
  - i. Yes      ii. No      iii. Indifferent
2. If your answer is yes, what are the possible causes that will cause you to consider leaving the bank? (You can choose multiple options)

Causes of turnover	Put a tick mark
a. Insufficient payment	
b. Unsatisfactory benefits	
c. Lack of career advancement	
d. Work load	
e. Lack of motivations	
f. Bad relationship with management and other colleagues	
g. Unfavorable working conditions,	
h. Better job opportunities	
i. External pressure	
j. Discrimination and other ,,,,,,	



**Section III: Questionnaire to be filled by Staff Benefit Team Leader under Human Resource management**

- 1. Is the management aware about employee turnover of the bank?  
.....
- 2. What is your view regarding reasons for employee turnover?  
.....
- 3. What costs the bank in cur due to employee turnover?  
.....
- 4. What retention mechanisms the bank made to proactively retain existing employees?  
.....

Thank you!