



**St. MARY'S UNIVERSTY**  
**SCHOOL OF GRADUATE STUDIES**

**DETERMINANT OF EMPLOYEES' TURNOVER INTENTION: THE  
CASE OF ADDIS INTERNATIONAL BANK S.Co**

**BY**  
**ABEL HAILU**

**December, 2020**  
**Addis Ababa, Ethiopia**

**DETERMINANT OF EMPLOYEES' TURNOVER INTENTION: THE  
CASE OF ADDIS INTERNATIONAL BANK S.Co**

**BY**

**ABEL HAILU**

**A Thesis Summated to St. Mary's University School of Graduate Studies In  
Partial Fulfillment Of Requirements For The Degree Of Master Of Business  
Administration.**

**Advisor**

**Goitom Abraham (Asst. Prof.)**

**December, 2020**

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**APPROVED BY BOARD OF EXAMINERS**

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**Dean, Graduate Studies**

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**Signature**

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**Advisor**

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**Signature**

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**External Examiner**

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**Signature**

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**Internal Examiner**

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**Signature**

## DECLARATION

I, declare that the project entitled “Determinant of Employees' Turnover Intention: The Case of Addis International Bank S.Co” is my original work and has not been presented for a degree in any other university and that all sources of material used for the project have been duly acknowledged

**Declared by:**

Abel Hailu December, 2020

Student

Signature

Date

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\_\_\_\_\_

\_\_\_\_\_

### Confirmation by Advisor

Goitom Abraham (Asst.professor) December, 2020

Advisor

Signature

Date

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\_\_\_\_\_

## **ENDORSEMENT**

This is to certify that Mr. Abel Hailu has completed his project work entitled “Determinant of Employees' Turnover Intention: The Case of Addis International Bank S.Co” As I have evaluated, his project is appropriate to be submitted as a partial fulfillment requirement for the Award of Degree in Masters of Business Administration (MBA).

**Advisor:** Goitom Abraham (Asst.professor)

Signature and Date

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## LIST OF ACRONYMS

AdIB.....	Addis International Bank Share Company
SPSS.....	Statistical Package for Social Science
OBM.....	Old branch's manager
SBM.....	Senior branch's manager
OBCSO.....	Old branch's customer service officer
SBCSO.....	Senior branch's customer service officer
DHM.....	Division head
ITDEP.....	Information technology department
FEMP.....	Former employee
SD.....	Standard deviation
KMO.....	Kaiser-Meyer-Olkin
R.....	REGRATION
ANOVA.....	Analysis of variance
HRTDD.....	Human resource training and development department
HRD.....	Human resource department
CBY.....	Company budget year
HRFM.....	Human resource and facility management

## ***Abstract***

*The main purpose of the study was to identify the Determinant of Employees' Turnover Intention in AdIB. The study employed descriptive survey and explanatory method. The data used were primary and secondary data. The sampling method was purposive and simple random sampling. The study used close ended self-administered questionnaire which is designed to collect quantitative data. The questionnaire design includes 4 items of demography, 14 dimensions of job satisfaction with 56 items and turnover intention with 4 items. Independent and dependent variables' items utilized five Point Likert-scales. A total of 371 questionnaires were administered and 321 were analyzed with a response rate of 86.52%. The reliability and validity test were done before analyzing the data. Data analysis was done by descriptive statistics, correlation and regression analysis using SPSS 20 (Statistical Package for Social Science). Ten determinant of job satisfaction; achievement, recognition, responsibility, advancement, growth, compensation, work conditions, job security, status and communication were found low employee satisfaction at AdIB. In addition three factors; supervision, co-workers, and Policies were moderate level of satisfaction. The study also found AdIB employees have moderate level of intention to leave the company. The other finding was that all determinant of job satisfaction except job status have negative relationship with turnover intention. Besides this, all factors of job satisfaction were found to be significantly associated with turnover intention except policy and job status. Furthermore, the study found that all determinant of job satisfaction explained 32.2% of turnover intention. Since this model explains only 32.2% of the dependent variable that reveals the model is weak. Among these predictors; achievement, Compensation, job security, and Supervision have contributed relatively high impact to the variation of turnover intention. Therefore, to increase employee satisfaction level and to reduce turnover intention the policy makers and/or AdIB management must focus to improve the factors of job satisfaction that have high impact on turnover intention.*

**Key Words:** *AdIB, job feeling, factors of job feeling, turnover intention.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Back Ground of the Study

Employee turnover is an important issue that possesses a significant challenge for organizations. Since human capital is central to an organization's performance, workforce attrition can have a profound impact on an organization's performance, growth and general business outcomes. Human resource is considered the center of all development processes of economy. However, today's competitive business scenario is deteriorating social conditions of human resources, hence causing employee turnover (Shukla, and Sinha, 2013). Professional employees' turnover is an important and pervasive feature of the labor market.

Employee turnover is the rotation of worker around the labor market. The term turnover also defined by Price (1977) as: "the ratio of number or organizational members who have left during the period being considered and the average number of people in the organization during the period". Turnover is a behavior which describes the process of leaving or replacing employees in an organization.

Benedict, et al., (2012) defined Labor turnover as the rate at which an employer gains and losses employees. Simple ways to describe it are "how long employees tend to stay in the organization". Employee turnover is defined as "the rate at which employees enter and leave a company in a given fiscal year."

HR professionals and organization executives focus on turnover for three main reasons: - it has significant cost implications, it affects overall business performance and it has the potential to become difficult to control which result in a talent loss and hard to find quality candidates with the skill sets required to fill open positions (Tett & Meyer, 1993).

Turnover intention is a well-known subject to the organization in any business culture and industry. It is one of the most important topics that need due considerations at workplace and in any organization. Meyer et al. (1993) defined turnover intention as conscious willfulness to seek other alternative jobs opportunities in other organizations. No matter how big or small the

organization, turnover intentions among the employees exists and always be a main concern for organization to reduce or eliminate due to the existence of associated cost.

Researchers such as Ajzen and Fishbein (1980) and Igarria and Greenhaus (1992), explained that intentions are the most immediate determinants of actual behavior. Intentions are important for organizations and researchers because once people have actually implemented the behavior to quit; there is little likelihood of gaining access to them to understand their prior situation. Employee turnover is one of the challenges that faced the work organization and have impact in the performance of those organizations. The concept of Employee Turnover represents one of the themes in the analysis of the world of work among scholars in the field of management, organization behavior, and human psychology. It refers to when an individual entered a company, the interaction between the companies and the individual was supposed to increase. If the interaction could not increase to an appropriate extent, the individual's past experience would turn to be so-called Guiding Crisis and the individual would leave eventually. Accordingly, turnover intention is a significant factor in predicting turnover. Turnover intention means the strength of intention an individual has to leave his present job and look for another job opportunity. Many studies show that employee turnover intention has strong relation to organizations (Chang, 2009).

Employee departures affect organizations in terms of measurable financial costs as well as intangible knowledge based and productivity costs. Companies incur direct and indirect expenses, which include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention, every time they have to replace an employee, (Beam, 2009). According to a 2008 SHRM study, the cost to replace and hire new staff may be as high as 60% of an employee's annual salary, whereas total costs of replacement, including training and loss of productivity, can range from 90% to 200% of an employee's annual salary. Those expenditures can be difficult to absorb, whether an organization is a small company or a large global firm. Loss of employee talent hinders the development of new products, disrupts client relationships and delays customer deliverables. These production delays, along with replacement costs of employee turnover, negatively affect overall business performance and success. Organizations with a high employee turnover rate face expensive recruitment and training cost for the new employee, loss of productivity, public relation cost

associated with having a large number of voluntary resignation in the society, spreading gossip about the organizations and a remaining workforce that ends up with work overload and therefore more likely to quit too.

Employees leave organizations for all sorts of reasons. Some find a different job, some go back to school, and some follow a spouse who has been transferred out of town. Others retire, get angry about something and quit on impulse, or never intended to keep working after earning a certain amount of money. Still others are fired or laid off, or they come into money (a lottery win, an inheritance) and decide they no longer need a job (Allen, 2008). Other reasons employees leave include unhappiness with the work, inadequate compensation, unsafe and unhealthy conditions, unrealistic expectations, inappropriate processes or tools, and poor candidate screening, lack of career opportunities and challenges, dissatisfaction with the job-scope or conflict with management (Benedict, et al., 2012). Intention to quit is influenced by organizational commitment (Parasuraman, 1982). Alternative job opportunity and remuneration has a significant influence on turnover intention. This view is also supported by Igarria and Greenhaus (1992). On the other hand, job satisfaction has a significant and negative relationship with turnover intention (Spector, 1997). Turnover intentions of employees are influenced by perception of employee's satisfaction in terms of pay, promotional opportunities, relationship with supervisors, employee's performance management system and fringe benefits.

Employee turnover is continues to be a particularly prolific area of research, with many publications on the topic. Evidence suggests that turnover is triggered by dissatisfaction with such factors as relationships with supervisors, job content, working conditions, and pay (Griffeth, Horn, and Gaertner 2000). While other factors may influence an individual's decision to leave, such as the competitive conditions of the local market, it is clear that management has direct control over many of the most important drivers of employee turnover.

The analysis of employees turnover is a vital role of the human resource department as the data may be used to forecast future recruitment requirements, assists an organization's retention strategy and succession plan as well as to set assertive mechanisms of turnover reduction to achieve the organizational goals. It also highlights areas of business that may require assistance in terms of people management problem issues and by measuring employee turnover on regular

basis an organization can immediately recognize a change in levels and implement strategies for dealing with this.

Addis International Bank S.C endeavors to be an inclusive Bank that addresses the financial needs of different income groups in the country. It has a total of 725 employees as of Dec 31, 2019 (684 permanent and 41 contractual employees) actually doing their assigned work to realize the bank's objective. It has a problem of frequent employee turnover due to different factors which need to be addressed to retain all rounded competent workforce to achieve the intended goals or objectives of the organization.

As far as the researcher's observation or knowledge and preliminary discussion with HR director and personnel there is a frequent problem of employee turnover in AdIB in the last three (3) budget years. Total left within the last three (3) years is 221 and the turnover rate of the company for 2016/17, 2017/18 and 2018/19 budget years where 8.49%, 9.15% and 11.69% respectively (source AdIB'S HRFM department). So that, this study will try to explain, analyses the different determinant of turnover and why employees are intend to quit their jobs. The studies also focus on internal and external factors of employees' turnover intention in order to recommend the possible solution and tackle the problem in the organization.

## **1.2 Back Ground of the Organization**

The word "Addis" as part of the name of Addis International Bank S.C. (AdIB) carries double meaning: new ideas/innovations and the first word of the capital city of Ethiopia where the Bank is born to shoulder its historic mission. The new vision and innovative ideas/approaches that were initially brewed in Addis will however be shared to potential customers all over the country through branches that will eventually be opened in the near future.

AdIB is established by diversified groups of shareholders, Cooperatives, Micro Finance Institutions (MFIs), Iddirs, other business organizations and individual citizens. The major shareholders of the Bank are Cooperatives and their members.

The Cooperatives are mainly engaged in the provision of financial services, export business, manufacturing and services. The members of the major shareholders are mainly low and middle income citizens. The Micro Finance Institutions also address the financial needs of the "Unbanked" citizens.



AdIB endeavors to be an inclusive Bank that addresses the financial needs of different income groups in the country. It has the plan to penetrate the huge market that hosts low and middle income people through Cooperatives and Micro Finance Institutions. AdIB will expand its operating by opening new branches at market centers within and outside Addis.

## **VISION**

Destined to be the leading inclusive Bank in Africa!

## **MISSION**

To provide efficient and effective full-fledged banking services by utilizing qualified, honest and motivated staff and state-of-the-art technology and thereby optimizing shareholders' interest.

## **CORE VALUES**

- Corporate Social responsibility
- Creativity and innovation
- Professionalism
- Highest personal standards of integrity at all levels. (<https://addisbanksc.com/company-profile/about-us/>)

## **1.3 Statement of the Problem**

Each company has its own unique turnover drivers so companies must continually work to identify the issues that Determinant of turnover Intention of their company. Further the Determinant of Turnover Intention of Employees vary within a company such that Determinant of turnover intention in one department might be very different from another department.

The study has been conducted by others like Testa (2008) in this study students have found that high turnover rates skilled professionals can pose as risk to the business or organization, due to human capital (such as skill, training and knowledge) cost, notably given the natural specialization of skilled professional, these employees are likely to be employed within the same industry by competitor.

Various researchers have conducted different researches on the determinant factors of employee's turnover in the banking sector and identify different key factors. (Balogun and

Olowodunoye, 2006) conducted a study in Nigerian bank, the result of the study show that job satisfaction, social support, and emotional intelligence significantly and independently predicted turnover intention among bank employees. Furthermore, the results showed that the three psychological factors (i.e., job satisfaction, social support, and emotional intelligence) had a joint influence on turnover intention. According to, (Islam and Zaman, 2012) in context of Bangladesh Commerce Bank Ltd. Employee motivation and job security has influence on job satisfaction and if employees are satisfied, they intend to stay in the organization. Effective communication can create an atmosphere of communication satisfaction that can foster low employee turnover intention in the First Bank of Nigeria (Nwagbara et.al, 2013). Work Environment, Job Stress, Compensation (Salary), Employee relationship with management and Career Growth significantly influenced employee turnover in banking sector (Shukla, and Sinha, 2013).

According to Cohen and Golan (2007), job satisfaction is a major contributor to turnover. They believed that, if employees are not satisfied at work, this leads to turnover. Turnover is very costly and leads to lower productivity. It is also argued that, if the environment is not conducive for the work this lead to turnover intention. Rhodes and Steers (1978) named job attitude as a fundamental place in their model .They predict that the effect of other job related and organizational variables on absence would work their way through job satisfaction . They also revealed that people who displeasure their jobs will try to find another job, verses people who like their jobs, who is prefer to stay with the same employer. Many researchers identified a number of gaps by reviewed the theoretical and empirical literature from geographical, methodologies used, time as well as the nature of organization studied. Despite the relevance of the study, the study was conducted in Ethiopia where geographical attributes, political inclination and socio- cultural values differs from other countries. Despite the fact that, many studies were conducted to identify the Determinant of turnover intention of employees in different sectors of the economy, most of them were carried out in other countries. Few studies were carried out to investigate the causes of employees' turnover intention in African countries including Ethiopia. Some of these studies were done by Mahdi et al, (2012), Adeboye T. A. et al (2012), Samuel E. M. et al (2012), Santript S. et al (2013), Ali N. and Tessema et al., 2013

This study aimed to fill gaps left by the previous researches specifically in identifying the Determinant of turnover intention of employees (express as achievement, recognition,

responsibility, advancement, growth opportunities, the work itself, compensation/pay, supervision, work conditions, co-workers, policies, job security, status and communication) or in general job feeling in the banking sector.

AdIB, Employee's turnover is frequent and substantially increasing from time to time. The following table shows the rate of turnover that the organization is facing since 2016/17.

**Table 1.1 AdIB employees' three years turnover rate**

<b>CBY</b>	<b>Total No. of employees</b>	<b>No. of employees left the company</b>	<b>Remark</b>
2016/17	683	58	8.49%
2017/18	732	67	9.15%
2018/19	821	96	11.69%

Total left within 3 years is 221. Source: Addis international bank s.c HRFM department. The turnover rate of the company for 2016/17, 2017/18 and 2018/19 budget years were 8.49%, 9.15% and 11.69% respectively. The annual employee turnover of the company is increasing and it is the major issue to be examined. Majority of the employees who left voluntarily the company were highly skilled professionals from Operations (core task of the company) which had an impact in sustainable growth of the bank. To sum up the base of the current study is to find out the major Determinant of turnover intention of employees in the last three years.

The study therefore, aims to find out deferent Determinants of turnover intention of employees by expressing this factors (achievement, recognition, responsibility, advancement, growth opportunities, the work itself, compensation/pay, supervision, work conditions, co-workers, policies, job security, status and communication) within Addis international bank s.c.

## **1.4 Research Questions**

This research project aims to answer the following basic research questions.

1. What is the effect of intrinsic variable on employ's turnover intention in Addis international bank s.c.?
2. What is the effect of extrinsic variable on employ's turnover intention in Addis international bank s.c.
3. What strategies are used to prevent employee turnover.

## **1.5 Objective of the Study**

### **1.5.1 General objective**

- The general objective of this study is to identify Determinant of Employees' Turnover Intention in Addis international bank s.c.

### **1.5.2 Specific Objective**

- To find out the effect of intrinsic variable on employ's turnover intention in Addis international bank s.c.
- To find out the effect of extrinsic variable on employ's turnover intention in Addis international bank s.c.
- To examine the organization's strategy to prevent employees turnover.

## **1.6 Scope of the study**

The study is narrow to the matter of the Determinant of turnover intention of employees: in the case of Addis International bank s.c. and this research was delimited on the last three years so the company's budget year. The research design is delimited to descriptive that describes the practice and related truths on the employee's turnover intention in the organization. This study also used probability sampling technique (stratify random sampling) with in a cross-sectional study. The total target population is 530. From this the sample size of the study was determined to be 228 by used the known population determination formula and some other former employees of the company. The Sources of data are both primary and secondary sources. The primary data were collected from employees randomly selected using by judgmental method.

The researcher was used both closed and open ended question. Moreover questioner for current employee of the company and the former employee of the company and interview for top and middle managers, HR department and for the former employee in order to get depth information about the needed information for this research. The secondary sources contend documents and reports related with the organization's employee turnover and other HR strategies on turnover. The collected data were clearly presented by using tables which are expressed in the form of frequency, percentage, mean and standard deviation.

### **1.7 Limitations of the Study**

The main limitation faced on this paper preparation were the covid 19 virus pandemic; because there was no a library service, it was not easy to communicate peoples in person and also there was internet connection problem; because of these limitation the researcher were forced to face the timeliness problem on this thesis preparation.

I used some solution to overcome this problems; the first thing here I used is using different online library and websites like Google scholar and the other solution were asking a support from my organization (AdIB) to create a personal email by using the organization's network to communicate with my sample population and to send the research's questioner and to receive their response on it. On the other hand one limitation of this study were respondent's reluctant to express their true feelings about the questions asked , so conclusion and recommendation of the findings might be affected, busy people were not want to take the time, try to help by giving pleasant answers.

### **1.8 Significance of the Study**

The major Determinant of turnover intention of employees in the organization were identified in this study. The study have role in providing some suggestion or recommendations that used to take corrective measures to solve the problems.

The study also expected to expose chance for AdIB to bring into line the company's human capital strategies with key employee turnover factors to attract detain and keep its employees.

Furthermore, the study can also used as a source of information for future research.

## 1.9 Definition of Terms

The researcher used the following operational definitions of basic terms for this specific research:

**Intention:** is an act or instance of determining mentally upon some actions or result or the end or object intended, purpose (Oxford dictionary, 2006)

**Turnover:** “The termination of an individual’s employment with a given company” (Tett & Meyer, 1993, p. 262). It is the movement of employees out of an organization (Stan K., 1991).

**Turnover intention:** A thought of leaving the organization (Tett& Meyer, 1993). It is employees’ intended plan to switch their existing job and search for other (Stan K., 1991).

**Employee turnover:** is the difference in the rate of employees leaving a company and new employees filling up their positions.

**External Factors:** are those reasons that attract the employee to a new place of work or uncontrolled factors because it is out of the control of organizations.

**Internal Factors:** are aspects that push the employee towards the exit door or leave the organization. It is called controlled factors because these factors are internal and can be controlled by organizations.

## 1.10 Organization of the Study

The study was organizing under five chapters. The first chapter provides the general overview of the study. The general information included in this chapter are the background of the study, statement of the problem, objective of the study, significance of the study, scope and limitations of the study, definition of terms, as well as organization of the study. The second chapter reviewed related literatures on Turnover. The third chapter focuses on the methodology of the study. The fourth chapter is provided results and discussion. The final chapter includes summary, conclusion, recommendations and room for further research studies. At last appendixes are attached.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

In this chapter the existing literature on the related concepts appropriate to this study is examined and used to build the theoretical framework. First, the definitions, of turnover intention discussed where after the definition, type, cause, and effect of turnover intention or behavior relevant to the topic is dealt with. Besides, the independent variables (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) on employee turnover intention would investigate. Then after; the empirical literature review on the related concepts is discussed. Finally, the theoretical framework of this study is developed that shows independent and dependent variables.

### **2.1 Review of theoretical literature**

#### **2.1.1 Introduction**

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. Huge concern to most companies, employee turnover is a costly expense especially in lower paying job roles, for which the employee turnover rate is highest. Many factor play a role in the employee turnover rate of any company, and these can stem from both the employer and the employees, wage, company benefit, employee turnover. companies a deep interest in their employee turnover rate because it is a costly part of doing business (beem, 2009)

Costly et al. (1987) found that the main causes of high labor turnover in an organization are poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. All these factors indicate that there are no proper management practices and policies on personnel matters, The employees are not recruited scientifically, promotion policy of the organization is not communicated to the employees properly, no grievance procedures are there in the organization and as such the employees decide to quit.

Turnover is the result of the exit of some employees and entrance of others to the work organization (Ivancovich, 1987).

Voluntary turnover for personal reasons, on the other hand, involves such matters as reasons of health, retirement relocating family, or returning to school. Involuntary turnover is a termination initiated by employer whereas internal turnover pertains to turnover caused by internal transfer and promotions.

According (davar: 1999) the two most important causes, which tends to leaves or stay are job satisfaction includes recognition, opportunity for achievement and other factors associated with aspects of motivation.

Most theories of turnover maintain that employees leave their job voluntarily when their needs are not satisfied at their present place of work and an alternative job becomes available which the employees believe will satisfy more of their need. (Inancevich 1989)

Jackson (1981) and Seta (1991) have studied in their studies that high turnover is caused by unhappiness with the work inadequate compensation. Unsafe and unhealthy conditions, unrealistic expectations, inappropriate processes or tools, and poor candidate screening are causes. Lack of career opportunity and challenges, dissatisfaction with the job scope or conflict with management.

## **2.1.1 Turnover Intentions**

### **2.1.1.1 Definitions of Turnover Intentions**

The theory of turnover shows that turnover intention is the best predictor of whether a worker leaves the firm or not and the cognitive process of thinking and planning to leave a job (Lambert, 2006). According to Medina (2012), turnover intention is defined as an employee's intent to find a new job with another employer within the next year. Moreover, intention to leave is considered a conscious and deliberate desire to leave an organization within the near future and is the last part of a sequence in the withdrawal cognition process (Mobley, Horner, & Hollingsworth, 1979). Three elements exist in the withdrawal cognition process namely, thoughts of leaving the organization, the intention to search for another job somewhere else and the intention to leave. Hence, according to McWilliams (2011), the last part of this process (intention to quit) is costly for organizations both directly and indirectly. It is costly directly by losing staff through recruitment, selection, training and development and indirectly through the loss of tacit knowledge and intellectual property to competitors. Furthermore, Parry (2008) found that actual



turnover and intent were influenced by a separate set of factors with intent to leave being a poor predictor of turnover behavior; most of the turnover research supports overwhelmingly the predictive strength of turnover intentions. Generally, turnover intentions have been an extremely powerful concept that helps to understand employee attitude and behavior. A study conducted by Iiyas (2013) contributed to the literature on turnover intentions by understanding heterogeneity among employees' turnover intentions within call center industry, where it is almost a norm to quit. It is important to identify and understand which attitudes of employees are associated with their decision to stay, leave or be unsure about either.

### **2.1.1.2 Types of Turnover Intentions**

The separation of employees from an organization may be due to voluntary or involuntary turnover (Allen, Shore and Griffeth, 2003). It is voluntary when the choice of leaving the organization is initiated by the employee and involuntary where the employee has no choice in their termination. It may result from the following situations: dismissal, retrenchment/redundancy, retirement, long term sickness, physical /mental disability, moving or relocated abroad, and death. Turnover intention is a well-researched topic. Many authors have studied its close relationship with voluntary turnover. Voluntary turnover is further distinguished into functional and dysfunctional turnovers.

Functional turnovers are the resignation of substandard performers and dysfunctional turnovers refers the exit of effective performers. Dysfunctional turnover is of greatest concern to the management due to its negative impact on the organizations general performance. Dysfunctional turnover could be further classified into avoidable turnover (caused by lower compensation, poor working conditions, etc.) and unavoidable turnovers (like family moves, serious illness, death.etc) over which the organization has little or no influence.

Henman and judge (2009) have described types of employee turnover under two major categories. It can be seen that turnover is either voluntary. Being initiated by the employee, or involuntary initiated by the organization.

### **1 Involuntary turnover**

Involuntary turnover is split in to discharge and downsize

## **1. Discharge turnover:**

Discharge refers to an involuntary separation of employees from the pay roll for inadequate performance for violation of the company rules (French, 1993) most union members and officials often label discharge as “capital punishment”. There are two types discharge causes discharge for performance related causes and discharge for discipline related causes.

### **A. Discharge of performance related causes;**

Discharge for performance related causes refers to firing of employee, whose performance is below job standards in terms of work quantity, quality, method, time line or cost (leuesque1993).

### **B. Discharge for discipline related causes;**

An employee who is found to have committed company’s rule in fraction is supposed to be penalized. The major disciplinary problems falling hereunder includes attendance problem such as excessive absence and tardiness, production problem such as refusal to accept assignment and authorized work stoppage, loyalty issues including theft and satisfaction of record, and work place behavior problems such as violation of grooming case, drunkard and physical assault (leuesquel, 1993).

## **2. Downsizing turnover**

It occurs as part of an organizational restructuring or cost-reduction programs to improve organizational effectiveness and increase shareholder value.

## **2 Voluntary turnover**

Voluntary turnover in turn, is broken down in to avoidable and unavoidable turnover

1. Avoidable turnover; Avoidable turnover is that which potentially could have been prevented by certain organizational actions, such as pay raise or new job assignment.

2. Unavoidable turnover; A turnover that happens in unavoidable circumstance is called as unavoidable turnover; For instance, employee’s death or spouse’s relocation.

Therefore, some factors are that are in part, beyond, the control of management, such as the inability of a members staff. Other factors have been categorized involuntary turnover in the past

as the need to provide care for children or looking after aged relatives. Today such factors should not be seen as involuntary turnover as both government regulations and company policies create the opportunities for such staff to come back to work, or to continue to work on a more flexible basis (ongori 2007)

### **2.1.2 Common Types of Employee Turnover**

Employee turnover is commonly as each type of movement in and out of the organization these are separation and accession (Lloyd.Byers. Leslie W.Rue.2004) .

#### **1 Separation**

Separation is whole levels for any reason such as, termination lay off and retirement is considered the prominent among separation process.

#### **2 Termination**

Termination is the dissolution of the employment relationship that is originated by the organization. Failure to follow organization policy or procedure is yet the reason for termination. More broadly, the reasons for termination often vary according to the level the employee Occupies with an organization. Lower level employees are most often terminated due to job performance in subordination or failure to comply with written policies and procedures managers and other high-level employees are often fired when there is a lack of fit or a personally characteristic that has resulted in negative organizational out comes. The human resource department is often heavily involved when an employee is to be terminated termination often classified in to resignation dismissal (H. John Bernard in 2003)

#### **3 Resignation (voluntary turnover)**

Resignation is defined as termination by the employee him or herself (Robert L.Lussier 2005)resignation can be avoidable or unavoidable. Avoidable resignation indicates room for some improvement in the organizational climate. Her exist interview are helpful to single out to main reasons such as compensation promotion nature of super vision and so on, on the other hand unavoidable resignations are those caused due to marriage return to school and other personal factors

## **4 Dismissals**

Some of the reasons include when a company enforces termination. It is termed as dismissal. It is the most severe penalty that an organization can impose on its employee. This situation may be due to faulty selection, poor orientation, improper training and unsatisfied working conditions (Robert Mathis John H., Jackson 1997)

## **5 Lay off**

Lay off refers to the tactical, physical action of eliminating redundant skills in the organization. Lay off is an involuntary employee turnover, both temporary and permanent; it involves the temporary or indefinite removal from pay roll of people with surplus skills (French, 1998).

Lay off is necessitated when labor costs are out of line with when product, technological or other changes result in the elimination of some jobs (Margaret Foot, Caroline Hook, 2005).

According to the proponent of the seniority criterion, employees having the highest length of service and hence are loyal, are retained. Even the time of expense performance while employees who are the last to join the organization are laid off despite the fact they are good performers.

## **6 Retirement**

Retirement has been defined as an exit from an organization position or career path of considerable duration taken by an individual after middle age and taken with the intention of reduced psychological commitment to work thereafter since the age. Discrimination in employment act repealed mandatory retirement.

In Ethiopia, the mandatory age of retirement is 60. Nevertheless, for some professionals like medical practitioners and university instructors working beyond the prescribed age may be allowed.

### **2.1.3 Cause of Turnover Intentions**

There are a number of reasons why turnover and turnover intentions take place. According to Shamsuzzoha A. (2007), some of the factors that affect employee turnover are the economy (the availability of higher paying jobs and in a better economy the availability of alternative jobs plays a role in turnover), demographics, the characteristics of the job, the individual factors (including things such as changes in family situations, a desire to learn a new skill or trade or an

unsolicited job offer) ,unmatched of the employee's skill and the job substandard equipment tools or facilities ,unequal or substandard wage structures, inadequate or lackluster supervision and training ,recognition(feelings of not being appreciated ), and lack of opportunity for advancement or growth. One of the turnover models, the Mobley model (Lee, TW 1988) was a landmark conceptual piece that persuasively explained the process of how job dissatisfaction can lead to employee turnover. The model proposes that an employee normally experiences seven sequential and intermediate stages between job dissatisfaction and eventual turnover. Mobley theorized that job dissatisfaction leads an employee; to think about quitting which may help that employee to lead in to evaluate the expected usefulness of searching for another job and the costs associated with quitting the current job. From the evaluation an intention to search for alternative jobs may occur which in turn likely leads the employee to intend searching for alternative jobs to the evaluation of the acceptability of any specific alternatives, the employees would likely compare the new alternative with the current job which in turn can lead to an intention to quit, and eventual employee turnover. When employees are not satisfied with their jobs and organizations do have not trust in their employees the employees' intention towards turnover will be greater, they will leave the organization and the duration of their job will be smaller (Jeffrey, 2007).

Furthermore, Shamsuzzoha A. (2007) ,explained that turnover basically arises from the unhappiness from job place for individual employee but being unhappy in a job is not the only reason why people leave one company for another.If the skills that they possess are in demand, they may be lured away by higher pay ,better benefits or better job growth potential .That's why it is important to know and recognize the difference between employees who leave the job because they are unhappy and those who leave for other reasons.

Many studies conducted in different setting to understand the effects of the overall job satisfaction or the facets of job satisfaction on employees' turnover intention. Among these researchers (Chiang & Hsieh, 2012; Saeed, et.al. 2014,Zopiatis, Constanti,&Theocharous,2014). Chiang & Hsieh (2012) stated that job satisfaction is determined from the discrepancy between the individual's requirements and that which is provided by the organization, the closer the balance between organization provision and individual needs, the higher the job satisfaction, which in turn decrease turnover intentions. On top of that, job satisfaction has been empirically

proven to be the main predictor of turnover intentions (Saeed, et.al. 2014). They proved on their study that negative relationship between the job satisfaction and turnover intention. When the job satisfaction is greater the turnover intention will be lesser and vice versa.

Furthermore, Zopiatis, Constanti, and Theocharous (2014) assert that employee job satisfaction emanates from two alternate points of view namely ;extrinsic variables such as ; compensation/pay, supervision, work conditions, co-workers, policies, job security, and status, and intrinsic job satisfaction variables such as; the work itself, achievement, recognition, responsibility ,advancement and growth. Therefore, the researcher wanted to identify the influence of job satisfaction factors (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) on employee turnover intention. The Work Itself Many authors had done research about the effects of the nature of works on employee turnover orturnover intention. Among these,(Friday & Friday, 2003, Samuel E.M., 2012). According to Friday and Friday (2003), it is important for managers to take inventive steps to make work more challenging in order to increase job satisfaction of employees. This argument further stated that if a job is extremely inspiring, works are likely to be satisfied with the job content and provide higher quality work, which in turn could lead to lower standards of absenteeism. Moreover, employees tend to favor jobs which bring them chance to apply their skills and abilities, offer them variety and freedom as well as jobs where they receive constant feedback on how they are progressing.

Furthermore, Samuel E.M. (2012) confirmed that the higher the satisfaction with nature of work the lower the employee turnover intention. This means that satisfaction with nature of work is negatively related to turnover intention in sample study of university teachers in Total Nigeria PLC Lagos State of Nigeria. Achievements are things you did that had a lasting impact for your company or client. It is a result that you personally bring about while fulfilling a particular role. Typically they are things that you created, built, designed, sold or initiated. It is one of the three major needs of employees at managerial position; achievement, power, and affiliation. Therefore, employees' achievement motivation can be raised by organizations through processes such as job design, performance management, and skill or competency-related pay schemes.

Recognitions In a study developed to determine the perceptions and effects of work recognitions and other variables on the turnover intentions of IT workers, the result showed that for IT professionals, a huge part of their motivation came from the recognition they got from managers for well work and their perception that they were important members of the organization, decreasing their intentions to leave the public institutions (Burrell, 2014).

In addition, a study developed in a group of American Public Sector Organizations of South Carolina, the perceptions of employees' recognitions had a significant impact on the intent to leave the organizations (Henryhand, 2009). Furthermore, in a study developed to examine what motivates employees in the retail industry, and their level of job satisfaction using Herzberg's hygiene factors and motivators in Malaysia found that recognition is significant motivator of employees (Hong and Waheed, 2011).

Hence, employees generally want to do a good job, it follows that they also want to be appreciated and recognized for their works. 'Even the most seasoned employee needs to be told what he or she is doing right once in a while' (Shamsuzzoha, 2007). Responsibility Weinstein (1992) has been stated, that responsibility is the single greatest motivator in business. In some instance individuals perceive that they are ready to make the decisions yet, management may never give them the chance. Responsibility is a major factor that can provide a lasting change of attitude (Herzberg, 1966).

Therefore, empowering the employee could be a critical investment in a company's future. Opportunities for Advancement Lack of opportunity for advancement or growth can cause a high turnover rate for any organization. Cohen et al (2016) argued that satisfaction with advancement opportunities is a key factor affecting employees' overall job satisfaction and consequently, turnover intentions. When employees perceive no growth areas or future to advance within the system, they have no reason to remain in the current work situation. If growth is desired but leaving the current employer is required, it will result eventually in the employees departure. The employers should be clear with employees before hiring if the job is basically dead end position. If the employers not described the position precisely without raising false hopes for growth and advancement, this leads turnover intentions (Shamsuzzoha, 2007). Compensation/pay many researchers conclude that financial reward is one of the basic types of extrinsic monetary rewards which comprises the basic needs of income and affects the turnover intention of employees'.

Ones the employees perceive that their employers cannot offer their expected level of compensation; they may leave the organization (Mondy, 2010). On the other hand, Higginbotham (1997) mentioned that high salaries are not important, but good and fair salaries indicate a strong correlation with intention to remain, signifying that as long as the compensation is competitive, financial rewards are not the primary factor in retention.

According to Lai (2011), an efficient compensation system leads in organizational growth and development which reveal a positive correlation between job satisfaction and skill based pay, job based pay and performance based pay.

### **1. Growth opportunities**

Growth opportunities is provided by the employers to reduced the turnover intentions of employees because lack of promotional opportunities and training is the main reasons of high performer and skilled employees leave their company (Allen et al.,2003; Steel, Griffeth& Horn 2002).

According to Friday and Friday (2003), promotion satisfaction evaluates employees' attitude towards the organization's promotion policies and practice. In addition to this, Bajpai and Srivastava (2004) suggest that promotion offers employees with opportunities for personal growth, more responsibilities and also increase social status.

Pires (2009) also explained that providing career advancement opportunities whenever possible is important within the company for cross-training and career progression because employees are seeking to develop themselves, and offering that opportunity to them may provide the satisfaction and stability they are seeking. Therefore, employees who recognize that promotion are made in a reasonable and justice manner are most expected to high level of job satisfaction.

### **2. Supervision**

Supervisor play important role in organizations by enforcing the practices and rule with subordinates applying some level of flexibility. Employees under the same law enforcement but working in different departments can perceive the same rule and procedures in a different way due to different supervisor's management styles. Supervisors who support co-workers impact positively on job stratification. Many researchers have revealed that the lack of supervisory support tends to increase in job stress and decrease satisfaction (Kula &Guler, 2014).



Incompetent supervisors are often one of the first issues linked to employee turnover. No one wants to work for a manager who cannot adequately complete the tasks of his or her job, who is not passionate about the work being done, and who fails to provide regular feedback. Providing better employee supervision as well as enhanced communication helps decrease employee turnover (Pires, 2009).

### **3. Work Conditions**

Work environment is one of the most significant factors in employee retention (Zeytinoglu& Denton, 2005). When the work environment is well regarded, employee work attitudes are better, and thus, job satisfaction is higher. Some employees jump from company to company because they prefer a working environment that is suitable for them. If working conditions are substandard or the workplace lacks important facilities, such as proper lighting, furniture, clean restrooms, and other health and safety provisions, employees won't be willing to put up with the inconvenience for long. If an employee finds an appropriate work environment which is suitable for them in a specific company, they may work in that same organization for several years. Furthermore, Hytter, A.(2008) concluded that work environment has only really been discussed by people from the industrial perspective ,meaning the focus has primarily been on the physical sides such as noise ,heavy lifts, toxic substance and their exposure ...etc.

However, Zeytinoglu& Denton (2005) found out that the environment also plays an important role in the employee's decision of either staying or leaving the organization.

#### **Interpersonal Relationship**

(Co-workers) Good coworker relationships can help employees address work challenges and enable them to be dedicated to details that affect service quality, enhance service quality stability, and improve job satisfaction (Eatough, 2010).

Interaction between superior, subordinate or co-workers is unavoidable and so is the existence of conflicts (West, 2007). According to Eatough (2010), work-related behavior and situations such as management style, limited resources availability, incorrect job instruction and fairness are the causes of interpersonal conflict with supervisors. Furthermore, Aamodt (2004) stated that employees who appreciate working with their superiors will be more satisfied with their jobs. Satisfaction with superiors is associated to organizational and team commitment, which results to

higher output, lower turnover and a greater willingness to assist. Therefore, the satisfaction of relationship with superiors is found negatively correlated with turnover rate (Harris, Wheeler & Kacmar, 2009).

#### **4. Policies**

The definition of organizational policy is a conduct or principle for the exercise of administrative and supervision that they compel to achieve an organizational goal. Organizational policy makes a clear direction of employee to achieve the prospect goals and which is ultimate positive impact on employee job satisfaction.

According to Locke (1976), he points out through his work on organizational policy, which reveals that organizational policy influences the other variables, for instance salary, promotion, justice and reward; hence, the value of organizational policy has a considerable influence on other variables that ultimately affect job satisfaction.

#### **5. Job Security**

Job security is stated as a person's expectations about continuity in a job situation. This definition goes beyond concern over continuation of employment with an employer. It includes concern over loss of desirable job features such as lack of promotion opportunities, long-term career opportunities and current working conditions. Job security in a wider sense as employee keeps going to work with the current organization with no decrease in grade level, pay, pension rights, etc. Recent meta-analytic evidence demonstrates that employees who see their jobs as lacking security tend to have lower job satisfaction, less organizational commitment, and a stronger intention to turnover (Sverke et al., 2002).

Many researchers have successfully found the link between job security and employee turnover intention as job security is an important determinant for employee turnover. They discovered the steadiness of the work as a major precedent of turnover intention. Steadiness of the work and job security are parallel to each other. Leaving from the situation by quitting one's job is a means of coping with a stressor like job insecurity. There is a negative relationship between job security and turnover intention that is high job security leads towards reduced turnover intention and vice versa (Gill et al., 2010). Lack of job security makes the employee less responsible, also they feel less attachment with the organization which leads them towards turnover.

## **6. Job Status**

Some job positions are intrinsically more attractive than others and it will be affected by many characteristics including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment (Shamsuzzoha, 2007). People who hold advanced level jobs are more satisfied than those who hold lower level positions. In addition to this, there is a possibility of more challenging complex nature of higher-level jobs lead to higher job satisfaction. For example, workers in professional and managerial jobs are normally paid extra, have better promotion prospects, autonomy and responsibility which might also escalate the job satisfaction in turn turnover intention is diminished.

On the other hand, Smith and Ingersoli (2004) argues that job satisfaction tends to be lower among employees in jobs characterized by dangerous conditions, of which in most cases these jobs normally of a lower level nature. Therefore, there are greater satisfactions to employees in higher levels than those in lower levels.

## **7. Communication**

Communication is the degree to which management communicates with subordinates and the extent to which employees perceive that they are being properly informed with regards to the aspects of the job that affect them (Boshoff and Mels, 1995).

Husain (2013) suggested that the two main objective of organization communication are to inform the workforce about their tasks and the policy issues of the organization as well as to construct a community within the organization. Thus, meaningful communication informs and educates employees at all levels and motivates them to support the strategy (Barrett, 2002).

Furthermore, communication is also proved to be an effective tool for motivating employees involved in change (Husain, 2013). Therefore, effective organizational communication is inversely related with employee turnover intentions.

Generally, this chapter has highlighted the relevant theoretical and empirical studies concerning the issues of job satisfaction and turnover intention. On this relevant reviewed literature part the researchers used different methods, data sources and analytical techniques and there was little consistency in their findings. As results of their findings, there were several reasons why people leave their work. This ranges from economic factors to personal characteristics of the employees.

Some variables are intrinsic, others are extrinsic or a combination of both which influence turnover intention of employees. The researchers were considered many factors including nature of work, recognitions, responsibilities, achievement, advancement opportunities, job status, compensation (pay), supervision, promotion opportunity, working conditions, job security, work family balance, job analysis, organizational culture, organizational commitment, availability of alternate jobs, organizational communications, job stress, performance appraisal, career growth, emotional intelligence, social support, and others. Furthermore, from the above reviewed the researcher has discussed different relevant theoretical and empirical studies on the specific job satisfaction factors that affect employee turnover intentions which will be the focus of this study.

## **2.1.4 The Perspective Causes of Employee Turnover Intentions**

### **1. Lack of benefit**

The lack of benefits available to them through the company in which they work ,high employee turnover could also be due to no potential opportunity for advancement or promotion s employees prefer other companies ,which may provide them with higher post and increased compensation package .(Rampur,2009).

Benefits have an effect on whether applicants accept their employment offers or once employed workers will continue necessary or once employments of an effectively functioning program(Matthis:1997).

Insurance benefit is inclusive of health, life and disability insurance. Health insurance is an attractive benefit which can be contributory where employee pays a certain portion of the premium or non -contributory where the employer cores the entire premium. Life insurance, on the other hand, refers to the provision of benefits to the employee's survivor in the event of death before and sometimes after retirement. Disability and sickness insurance, on its part, is related to payment of compensation for permanent and temporary work related work disabilities. Moreover employers typically provide income maintenance protection for all employees having higher level of service in the event an accident or illness prevents them from working though the illness is not a work related one. (heneman and friends 1998)

## **2. Lack of Sufficient Compensation**

Compensation is the primary and often the sources of for employees and their family .it is alsoimportantfor determine our statues in the social system (magginson, 1981).

An organization is established with view to accomplish specific mission. To this end, it attracts and hires people who have certain knowledge, skill and attitudes. To attract and retain such people, the organization provides rewards. These rewards in edited the compensation component, which in turnover comprises salaries, benefits and service and other monitor and in kind payment. The compensation has to be their enough to stimulate an individual to join the organization and to stay in it. It is a widely accepted principle that compensation policies

should be to pay wages high enough to motivate and retain qualified employees at the same time,low enough to insure adequate profits to the organization.(Magginson 1998).

Today the number of reward by the organizations in to the hundreds; It is a widely accepted principle that this reward scheme or compensation policies have to be adequate equitable balanced, cost effective, secured, incentive providing and acceptable to employees (Invancevich and Gleuck:1989)

All theoreticians agree the effective compensation administration is desirable in efforts to increase employee satisfaction is desirable in efforts to increase employee satisfaction, with pay is important, because as many researchers have verified, if pay satisfactions low, job satisfaction low.

(Cystal: 1981); It is argued that pay affects the motivation of employees. Accordingly, employee's compensation assumes two forms direct and indirect. Direct compensation refers to wages and salaries while indirect compensation pertains to benefit provided by the organization and includes health insurance, life insurance, vacation paid holidays, and pension plans, it may also be classified as intrinsic versus extrinsic, financial versus non-financial and performance based versus membership based.

Intrinsic rewards pertain to the personal satisfactions one get from the job itself. These are self-instated rewards, such as having pride in ones work. Seven having feeling of accomplishment, or being part of a work team.(Decenzo and Robbins:1998).In other words, this reward basically emanates from participation in decision making, greater job freedom and discretion, more

responsibility, more interesting work .opportunity for personal group and diversify of activities. Reward that are external to the job and are inclusive of money, promotions and benefit are called extrinsic rewards

### **3. Lack of adequate salary**

the most common reason for employee turnover rate being so high is the salary scale because employee are usually in search in of jobs that pay well. Those who are respire rate for a job may take the first one that comes along to carry them through while searching for better paying employment .in addition, employees tend to leave accompany because of unsatisfactory performance appraisals. Low pay is good reason as to why an employee may be lacking in performance (Rampur 2009).

From employees perspectives if their salary is in adequate they and their family will mentally suffer because of economic in sufficiency. Hence, the pay structure should be the one that will be perceived as fair compensation. By fairness, we mean that wage or salary that is adequate for requirement of the job (Robert-L, Mathis John H, Jackson 1997).

As regards the effect of inadequate salary on the employer and employees result in failure to achieve organizational goal. Accordingly, low salary make employee's mentally in active, physically unfit, and produce discontent there by un determining productivity (H. John Bernard 2003).

It is often found that job seekers improve their pay levels if they line a new Job before they have their old employer. This type of findings suggests that the organizations pay level is potentially important direct influence on voluntary turnover. Organization must be aware that paying low salary or wages will quite possibly result in higher voluntary (Robert L. Lussier 2005).

### **4. Work load**

Work load is experienced when the employee is expected to do more than time capacity permits and when this .so happens it is more likely that the employee face stress (Raymond A. Noe, 2004). He/she neglects his/her family and becomes socially in active owing to the work load. Therefore the employees most likely develop hatred against the job and finally resign the organization.

Turnover specially voluntary turnover is often viewed as undesirable, although this not always true. From the individuals perspective, turnover is major way to improve employment

opportunities. When such mobility result in improved income and satisfaction society and the individual are both benefited. Recent review of many prior studies found that poor performers were more likely to leave voluntary involuntary than good performers (Margaret Foot, Caroline Hook,2005).

## **5. Working environment**

Zuber (2001) found that employees are more likely to say when there is a predictable work environment and vice versa. zuber also stated that instable organization have ahigh degree of employee turnover.

Environmental factors on the other hand, relate to internal factors such as work rules, wages benefits and facilities offered by the organization and external factors such as job opportunities (French Wendell,1998)

## **6. Favoritism and Lack of Prospects**

Favoritism can be seen from perspectives of such factors as trading opportunities and pay. As to training .though the provision of need based training is encouraged, it is not unusually to see some administrators providing treating opportunities for those employees who do not deserve this while unduly over looking others. With respect to pay, the laws of most counties prohibit discrimination in wage payment between employees for equal work on jobs the performance of which requires equal skill, effort and responsibility, and which are performed under similar working conditions (frenchh, 1987).

### **2.1.5 Effects of Employee's Turnover**

Employee turnover is expensive from the view of the organization. Voluntary quit which represents an exodus of human capital investment from organization fair and the subsequent replacement process entails different cost of organizations. These replacement cost include for example, search for the external labor market for a possible substitute, selection between competing substitute, and formal and informal training of the substitute until he or she attains performance level equivalent to the individual who quite (H.John Bernard in 2003). In addition to this replacement cost of output would be affected to same extend or output would be maintained at the cost of over time payment. The reason so much attention has been paid to the issue of turnover is because turnover has some significant effect on organization (Robert

L.Mathis, 1997). Many researcher argue that high turnover rates might have negative effect on the profitability of organization if not manage properly (French 1998). On the other hand turnover effect on customer service and satisfaction (Robert 2005) argue that turnover include other cost. Such as lost productivity lost sale and management time estimate the turnover cost in very high furthermore the loss of intellectual capital cost since, not only do organization lost the human capital of the departing employee but also competitors are potentially gaining this asset (Lloyd L.Byers, Leslie w.Rue, 2004)

According to Nyberg, Call, and Ployhart (2013); individual and collective turnover affects the performance, competitive advantage and productivity of organizations. In the 21st century, a specific challenge confronting most business considering high uncertainty in retaining qualified employees is the issue of employee turnover and turnover intention (Gyensare, 2013). Similarly, Vance (2006) reported that Caterpillar, a giant multinational construction equipment manufacturer, saved about \$8.8 million in turnover costs at one of its European based plants.

A survey by Youth Employment Network(2009) on private sector demand for youth confirmed that high turnover rates seems to be the most problematic issue in the banking sector ,with the sector recording the highest turnover rate of 27% out of surveyed sectors in Ghana.

Park and Shaw (2013) stated that all forms of turnover namely; voluntary, involuntary and redirection-in-force would hurt organizational performance, as experienced employees depart organizations taking accumulated knowledge and skills with them. Although the effect of turnover is negative, to reduce conflicts and bring change and innovation to the organization minor turnover is healthy for the organization.

Moreover, Park and Shaw (2013) explained that even if there are negative consequences tied to voluntary turnover , some of the positive consequences of involuntary turnover include reduction in costs associate with compensation (for example ,costs related to base salaries ,vacation and insurance ), and the ability to eliminate employees who perform poorly . Also, Smith and Ingersoli (2004) stated that a level of employee turnover is acceptable in any occupation, in that it offsets potential stagnancy, eliminates low performers, and encourage innovation with the entry of new blood. However, high employee turnover lead to low performance and ineffectiveness in organizations, and result in a huge number of costs and negative outcomes.



Turnover is organizational problem, which represent and over whelming drain on organization resources typically this castes include increased castes for social security and unemployment, terminal, employment cost such as recruiting and expenses, interview time test cost computer record cost and cosigning expenses, administration cost of notification.

Payroll changes and loss of productivity until the new left the job (ivanceivich and Glrerock 1998).

The coast effect of employee turnover can be categorized in two categories, direct and indirect

### **1 Direct cost effect**

Direct costs are defined as those cost incurred in the emplacement function and easily identifiable and typically directly associated with the recruitment effort (Hall,1981). Fall under this category are cost of employment advertising, agency and search fees, internal referrals, applicant expenses, relocation expenses employment staff compensation, recruiters expenses and employment expenses.

### **2 Indirect cost effect**

According to Hall, under this category are management time,lead employee's time,training and learning curve productivity losses (Hall,1981)

#### **2.1.6 Controlling Employee Turnover**

There is a host of issues focusing on employee turnover, good and bad. Actually, some turnover is good. New employees do during in new ideas, attitudes and keep the organization fresh and current. In addition, money is not the only motivator. As long as employees are being paid comparably to what other Franchisees are paying then other factors comes in to play. Work environment, respect, responsibility and camaraderie play a huge role in keeping an employee (Michael Pires2009)

#### **2.1.7 Strategies to Minimize Employee Turnover**

Strategies on how to minimize employee turnover, confronted with problems of employee turnover management has several policy options viz. changing (or improving existing) policies towards recruitment, selection, induction, training, job design and wage payment. Policy choice, however, must be appropriate to the precise diagnosis of the problem. Employee turnover

attributable to poor selection procedures, for example, is unlikely to improve were the policy modification to focus exclusively on the induction process. Equally, employee turnover attributable to wage rates which produce earnings that are not competitive with other firms in the local labor market is unlikely to decrease were the policy adjustment merely to enhance the organization's provision of on-the job training opportunities. Given that there is increase in direct and indirect costs of labor turnover, therefore, management are frequently exhorted to identify the reasons why people leave organization's so that appropriate action is taken by the management. Extensive research has shown that the following categories of human capital management factors provides a core set of measures that senior management can use to increase the effectiveness of their investment in people and improve overall corporate performance of business: Employee engagement, the organization's capacity to engage, retain, and optimize the value of its employees hinges on how well jobs are designed, how employees' time is used, and the commitment and support that is shown to employees by the management would motivate employees to stay in organizations. Knowledge accessibility, the extent of the organization's "collaboration" and its capacity for making knowledge and ideas widely available to employees, would make employees to stay in the organization. Sharing of information should be made at all levels of management. This accessibility of information would lead to strong performance from the employees and creating strong corporate culture. (Meaghan et al, 2002).

Therefore; information accessibility would make employees feel that they are appreciated for their effort and chances of leaving the organization are minimal. Workforce optimization, the organization's success in optimizing the performance of the employees by establishing essential processes for getting work done, providing good working conditions, establishing accountability and making good hiring choices would retain employees in their organization. The importance of gaining better understanding of the factors related to recruitment, motivation and retention of employees is further underscored by rising personnel costs and high rates of employee turnover (Badawy, 1988; Basta and Johnson, 1989; Garden, 1989; Parden, 1981; Sherman, 1986).

With increased competitiveness on globalizations, managers in many organizations are experiencing greater pressure from top management to improve recruitment, selection, training, and retention of good employees and in the long run would encourage employees to stay in organizations. Job involvement describes an individual's ego involvement with work and

indicates the extent to which an individual identifies psychologically with his/her job (Kanungo, 1982).

Involvement in terms of internalizing values about the goodness or the importance of work made employees not to quit their jobs and these involvements are related to task characteristics. Workers who have a greater variety of tasks tend stay in the job. Task characteristics have been found to be potential determinants of turnover among employees (Couger, 1988; Couger and Kawasaki, 1980; Garden, 1989; Goldstein and Rockart, 1984).

These include the five core job characteristics identified by Hackman and Oldham (1975, 1980): skill variety, which refers to the opportunity to utilize a variety of valued skills and talents on the job; task identity, or the extent to which a job requires completion of a whole and identifiable piece of work - that is, doing a job from beginning to end, with visible results; task significance, which reflects the extent to which the job has a substantial impact on the lives or work of other people, whether within or outside the organization; job autonomy, or the extent to which the job provides freedom, independence, and discretion in scheduling work and determining procedures that the job provides; and job feedback, which refers to the extent to which the job provides information about the effectiveness of one's performance (Tor et al., 1997).

Involvement would influence job satisfaction and increase organizational commitment of the employees. Employees who are more involved in their jobs are more satisfied with their jobs and more committed to their organization (Blau and Boal, 1989; Brooke and Price, 1989; Brooke et al., 1988; Kanungo, 1982). Job involvement has also been found to be negatively related to turnover intentions (Blat and Boal, 1989). Job satisfaction, career satisfaction, and organizational commitment reflect a positive attitude towards the organization, thus having a direct influence on employee turnover intentions. Job satisfaction, job involvement and organizational commitment are considered to be related but distinguishable attitudes (Brooke and Price, 1989)

## 2.2 Empirical Review

Many Authors did research on the effects of job satisfaction related factors on employees' turnover intention. They used different assortments of factors' of job satisfaction to examine its effects on employees' turnover intention. Among these researchers, Mahdi et al, (2012), Adeboye T. A. et al (2012), Samuel E. M. et al (2012), Santrip S. et al (2013), Ali N. (2011) are some of them .These researchers investigated what determines employee turnover/ intention to leave by examining the possible antecedents.

Mahdi et al, (2012) conducted research on the relationship between job satisfaction and turnover intention among the employees of local printing company in, Malaysia. They considered intrinsic job satisfaction and extrinsic, job satisfaction as independent variables where as turnover intention as dependent variables. A descriptive survey method was used with structured questionnaires, Reliability test, Correlation analysis, and supported by SPSS version 12.0.The results obtained in this study showed that both forms of job satisfaction (intrinsic and extrinsic satisfaction) have inverse relationship on employees' turnover intentions. Even though, intrinsic job satisfaction has stronger influence on turnover intention. Existence of extrinsic job satisfaction also must be considered in measuring the intention.

Dr. Ondigi Alice and Prof. Peter Mwangi Wanderi Kenyatta University in their study entitled "Assessment of Causes of Labor Turnover in Three and Five Star-Rated Hotels" in Kenya founded a corresponded finding with Gupta and Shaw (1998) that pay is the most critical outcome of organizational membership for employees to stay on. The unfavorable work conditions resulted to the employees developing work related stress and reduced employees' organizational commitment. This was evident where few hotels had employees who worked up to their retirement. The study further established that employees were not involved in decision making process, even those decisions which affected their jobs. Perhaps this resulted to the main causes of resignation in the hotels under the study. It was equally evident from the findings of the study that the management did not treat their employees well as cited by the respondents. Employers were described as inflexible and they did not provide a balance between work and employees' personal life. In addition, bad working conditions, low salaries, work stress, and injustice between the employees will help them consider the idea of leaving their work to cause an actual turnover. Generally, the rewards of the job, the internal job environment of the

organization, and the opportunities available to employees internally and externally are mainly influence intent to leave. Many findings have shown that recruiting the person who appropriately fit to the organization and job specifications would have low rates of absenteeism and turnover intentions.

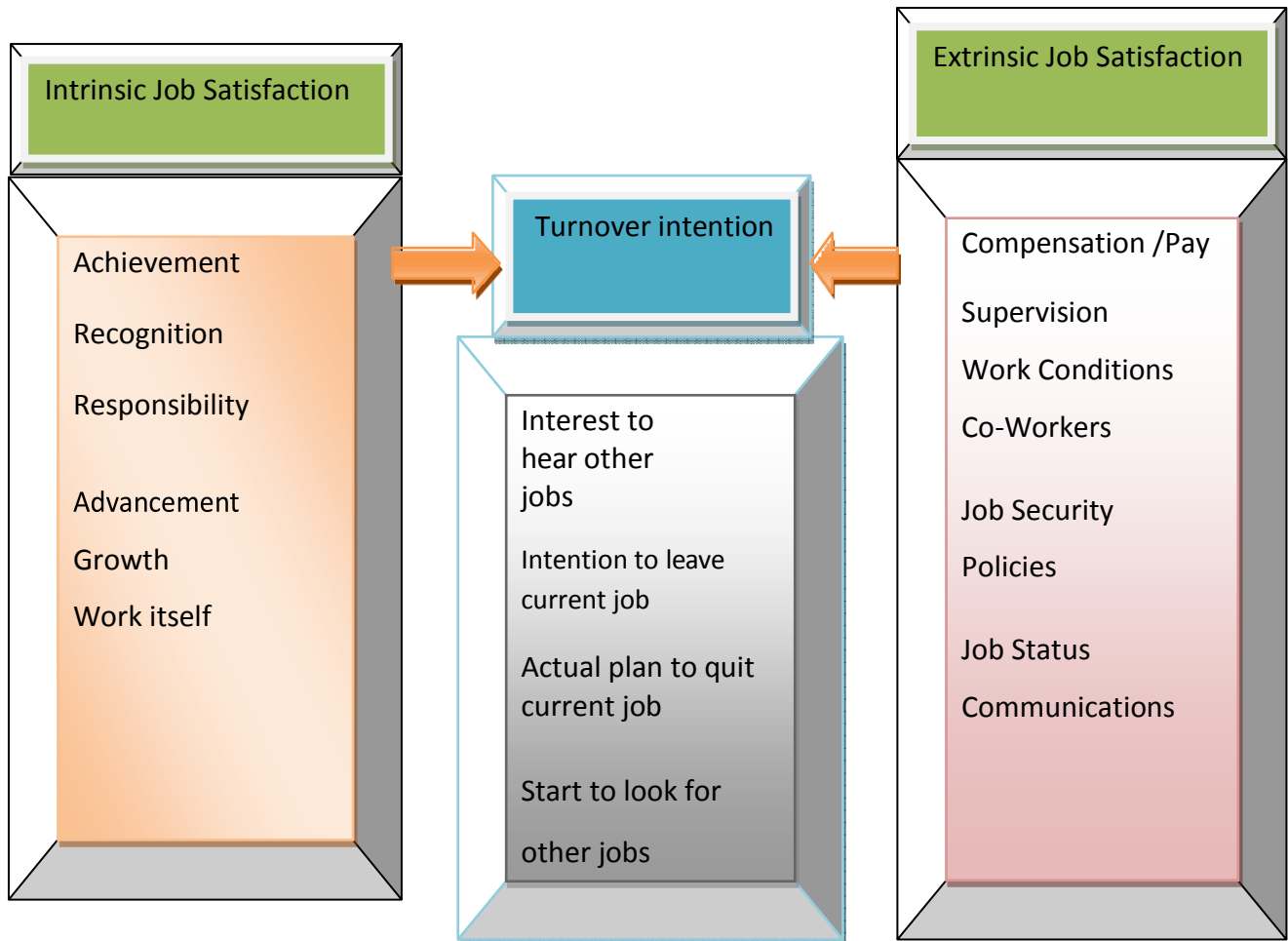
Santript S. et al (2013) examined influence of various factors on employee turnover in urban and semi urban banks. They used a self-developed questionnaire, measured on a Likert Scale to collect data from respondents and quantitative research design. The reliability of the data collected is done by split half method. The collected data were being analyzed using a program called Statistical Package for Social Science (SPSS ver.16.0 For Windows). The data analysis is carried out by calculating mean, standard deviation and linear correlation. Their finding showed that Work Environment, Job Stress, Compensation (Salary), Employee relationship with management and Career Growth have significantly influenced employee turnover in banking sector.

Nazim A. (2011) conducted study to investigate ten factors of satisfaction with- pay, security, nature of work, working condition, colleagues (integration), supervision, students, promotion and social status were considered to have an important bearing on the turnover intention of teachers in private school. Data was collected and Pearson correlation and zero order correlation were used. From the ten factors identified only three- satisfaction with pay satisfaction with security and satisfaction with promotion were found to have a strong negative relationship with employee's turnover intention.

As Adeboye T. A. et al (2012) conducted research on employees' perception of career progression and turnover intention among bank workers in IFE central call Government area, Osun State, Nigeria. They considered perception of career progression and Years of service (long service years-ten years & above and short service years-below ten years) as independent variables. A descriptive survey design was adopted for the study. A self- designed questionnaire was used to collect relevant data for the study and the data collected were analyzed using Pearson Product Moment Correlation (PPMC) and T-test analysis. The researchers concluded that there is an inverse relationship between perception of career progression and turnover intention. In their findings, they also indicated that the year an individual spends in a company

has no effect on his/her turnover intention and advised companies, establishments or managements to give increased attention to their employees' career progression.

### 2.3 Conceptual frame work



*This Research Model is adopted from Herzberg's two factors theory (1966)*

## **CHAPTER THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

This chapter has introduced how this research project was carried out. Thus, the research method, sources and types of data, sampling methods and sample size, instruments of data collection, techniques of data analysis and ethical considerations described respectively.

#### **3.1. Research Design and Approach**

The primary purpose of this study was to find out the Determinant of turnover intention of employees in AdIB in light of theoretical frame work and has a descriptive with explanatory nature. The major purpose of descriptive research is to describe characteristics of a certain phenomenon, this study also aims to describe and explain the practice of employee's motivation. The descriptive research design describes the characteristics of objects people or organization (Zikimund, Babin, Carr & Griffin, 2012:15).

There are two well-known research design approaches (qualitative and quantitative). In a qualitative research design, the researcher relies on qualitative data in nature and often depends on key information, opinions, and suggestions and employees perception the common qualitative research designs include: case study, ethnography, phenomenological study, grounded theory study and content analysis. Each design has its own particular setting and its choice depends on the researcher's problem statement or research question to be answering.

On the other hand quantitative design involves quantitative information that can be summarized through statistical analyses. Quantitative research design encompasses: observation studies, developmental study. Data collection instrument in a quantitative research design often makes the use of checklists and defined point rating scales (Leedey and Ormrod, 2010).

Based on this, the researcher used mixed approach to investigate the Determinant of turnover intention of employees in AdIB.

The researcher also used qualitative approach together information from the top and middle managements, HR departments, SCSO, and from the former AdIB employees through the interview. Quantitative was collected through the questionnaire from (Branch managers, Division heeds, Branch Accountants, Customer service managers, Customer service officers,

Auditors, IT workers, HR department) who are working in Addis Ababa branch's and determine analyzed statically to get reliable information from the respondents.

The purpose of this study was to evaluate the effects of job satisfaction on the AdIB employees' turnover intention. The study employed a cross-sectional research design with descriptive research method. Descriptive research method enables to compare two or more groups in terms of independent variable and dependent variable. According to Kothari (2004), descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or of a group. Such surveys may be undertaken to assess job satisfaction, motivation, morale and stress; and the satisfactoriness of the means of dealing with them; and the reaction to possible changes in a working arrangement.

## **3.2. Population, Sample Size and Sampling Techniques**

### **3.2.1. Target population**

The target population of this study was the employees who are working at AdIB in Addis Ababa and some former employees of AdIB. The total target populations are 530 employees' working in AdIB and 140 persons those who were the former employee in AdIB. The study was focused on Determinant of Employees' Turnover Intention: The Case of Addis International Bank S.Co.

### **3.2.2. Sample Size**

There are different formulas that used to determine the sample from the population, for the purpose of this study, sample determination calculation was done based on Yemane (1967), simplified formula for calculation of sample size from a population. According to him, for a 95% confidence level and  $p=0.5$ , size of the sample should be,  $n=N/(1+Ne^2)$ , Where, N, is total population =530 e, is the level of precision or the error term tolerable=0.05 n, is no. of samples drawn from total population =530/ (1 + 530 \* 0.05<sup>2</sup>)  $n = 530 / (1 + 1.5)$ . Therefore,  $n = 228$ . Stratified random sampling technique was used to allocate sample size into different work unit including HR department and some former employees who left the bank in the last three years. The sample size of professionals and management members above is allocated in 7 strata using proportional allocation method and were shown in a tabular form.



If the population is small then the sample size can be reduced slightly because a given sample size provides proportionately more information for a small population than for a large population Anderson, Sweeny & Williams, (2014). The sample size (n) was determined using the equation below.

**Table 3. 1: population and sample size summary**

	Population	Sample size (Rounded-up)
Target Employee of ADIB	530	228
Some of the former employee who leave the bank	140	131
TOTAL	740	371

*Source: researcher's survey data analysis 2020*

### **3.2.3. Sampling Techniques**

Sampling is a process of selecting a number of study units from a defined study population (Kombo and Tromp, 2006; Kothari, 2009). In this study, the samples were selected by both purposive and simple random sampling procedure. For the purposive (non-probability sampling), respondents were chosen based on my judgment that they have desirable job characteristics and could provide the required information.

The simple random sampling was applied in selecting respondents whose job characteristics and location is identified using purposive sampling. The total population for this study is estimated to be around 530 .The sample size of 228 was considered from AdIB and 131 former employee of AdIB.

If the population is small then the sample size can be reduced slightly because a given sample size provides proportionately more information for a small population than for a large population Anderson, Sweeny & Williams, (2014). The sample size (n) was determined using the equation below.

$$n = \frac{N}{1 + N(e)^2}$$

n = sample size

N= population size

e= level of precision or sample error (which is  $\pm 5\%$ )

### **3.3 Source of Data and Data Collection Tools**

#### **3.3.1 Source of Data**

Kumar (2005) stated that there are two major approaches used by researchers' namely primary and secondary data. This thesis was using both the primary and secondary data through self-administered questionnaire and relevant company documents.

The primary data was collected from fifty three AdIB's city branch employees. Target employee's was Branch managers, Division heads, Branch Accountants, Customer service managers, Customer service officers, Auditors, IT workers, HR department. In addition to this, the researcher was focused on some former employees who left the bank in the last three years.

The Secondary data was collected from relevant company documents; policy and procedure manual, organizational reports, and company website.

#### **3.3.2. Data Collection Tools**

Data collection is the process of gathering, measuring information on the target variables and it establish systematic fashion that enables one to answer stated research question. The primary data was gathered from the organization employees by using questioner and interview. The researcher used questionnaires provide a relative cheap, quick and efficient way of obtaining large amounts of information from large sample of employees. Data can be collected relatively quickly because researcher would not to be present when the questionnaires were completed. The researcher used interview that help to better understand, opinion, experiences phenomenon and behavior to get information in-depth.

The questionnaires were developed in English, it have three parts; the first part related to demographic profile of respondents, the second parts about the Determinant of turnover intention of employees (job feelings) of employees and their perception and the third part includes interview question for the HR department, former employees, and senior staffs. The secondary data were collected from AdIB reports, and documents to assess.

### 3.4. Data analysis Tools

For the purpose of this study the analysis of data was done by using descriptive statistics such as mean, standard deviation, percentage, frequency distributions to describe research sample, Correlation analysis to calculate the strength and direction of the relationships between the independent and dependent variables and regression analysis to identify the cause and effect relationship between the research variables. For achieving accurate results in interpreting the raw data in to meaningful information, data analysis was supported by SPSS 20(Statistical Package for Social Science).

#### A. Descriptive analysis

According to Zaidatol and Bagheri (2009) the mean score below 3.39 is considered as low; the mean score from 3.40 up to 3.79 is considered as moderate and mean score above 3.8 is considered as high as shown below.

**Table 3. 2. Comparison Bases of Mean Score of Five Point Likert Scale Instruments**

No	Mean value	Description
1	<3.39	Low
2	3.40 up to 3.79	Moderate
3	>3.8	High

*Source: Zaidatol and Bagheri (2009)*

#### A. Correlation analysis

Correlation is a statistical technique used to determine the degree to which two variables are related. Pearson correlation was calculated to determine relationships among job feeling facets

(achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) and turnover intention. Regarding the direction and effect size of correlation, there is no hard and fast rule to put the threshold limit. Different sources keep different values though the results do not significantly vary. Generally, positive values denote positive linear correlation; negative values denote negative linear correlation; a value of 0 denotes no linear correlation; and a value of 1 or -1 is perfect linear correlation. The sign of  $r$  denotes the nature (direction) of association and while the value of  $r$  denotes the strength of association. The value of  $r$  ranges between (-1) and (+1).

More specifically, Evans (1996) suggests correlation coefficient of .00-.19 as “very weak”, .20-.39 as “weak”, 0.40-.59 as “moderate”; .60-.79 as “strong” and .80-1.0 as “very strong”. Gerstman on an education blog put coefficient of less than .3, .3-.7 and greater than .7 as weak correlation, moderate correlation and strong correlation respectively. Cohen’s (1988) effect size indicated that the correlation coefficient ( $r$ ) ranging from 0.10 to 0.29 may be regarded as indicating a low degree of correlation,  $r$  ranging from 0.30 to 0.49 considered as a moderate degree of correlation, and ranging from 0.50 to 1.00 regarded as a high degree of correlation. For this particular study, Cohen’s convention is taken throughout the analysis since it is two digits inclusive of other two.

### **C. Regression analysis**

Regression analysis is one of the most commonly used statistical techniques in social and behavioral sciences as well as in physical sciences which involves identifying and evaluating the relationship between a dependent variable and one or more independent variables. As defined by Kothari (2004), “*multiple regression analysis adopted when the researcher has one dependent variable, which is presumed to be a function of two or more independent variables*”. Since the correlation result provides only the direction and significance of relationship among variables. For the purpose of this study the researcher employed multiple regression analysis to examine the effect of job satisfaction (express as achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) on employees’ turnover intention. Since, multiple regression not only does it indicate how well a set of variables explains a dependent

variable, but also gives the direction and size of the effect of the variables on the dependent variable.

The correct use of the multiple linear regression models requires that several critical assumptions be satisfied in order to apply the model and establish validity (Poole & O'Farrell, 1971). Inferences and generalizations about the theory are only valid if the assumptions in an analysis have been tested and fulfilled. Therefore, for this study the following primary assumptions were considered.

#### **D. Multiple Regression Assumptions**

The assumptions of Multiple Regression that are identified as primary concern in the research include linearity, normality, co linearity, and homoscedasticity.

First, multiple linear regression requires the relationship between the independent and dependent variables to be linear. Some researchers argue that this assumption is the most important, as it directly relates to the bias of the results of the whole analysis (Keith, 2006). If linearity is violated all the estimates of the regression including regression coefficients, standard errors, and tests of statistical significance may be biased. The linearity assumption of this study is tested with scatter plots (See Appendix C). We can see that the relationship between the IV and the DV modeled by a straight line that revealed the relationship between these variables is linear.

Second, Multiple regressions assume that variables have normal distributions (Osborne & Waters, 2002). The multiple regression analysis requires that the errors between observed and predicted values (i.e., the residuals of the regression) should be normally distributed. This assumption may be checked by different test methods. Histogram, Q-plots, and P-plots are more exacting methods to spot deviations from normality, and are relatively easy to interpret as departures from a straight line (Keith, 2006). For the purpose of this study histogram test is implemented (See Appendix B).

Third, multiple linear regression assumes that there is no multi-collinearity in the data. Multi-collinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables (Keith, 2006). Multi-collinearity of this study is checked by computing correlation matrix (Pearson's bivariate correlations) among all independent variables; the magnitude of the

correlation coefficients should be less than .80. Since, the correlation matrix result on table 10 revealed that the highest correlation is  $r=.462$ . Therefore, multi-collinearity is not an issue in this study.

The last assumption of multiple linear regressions is homoscedasticity. Homoscedasticity refers to equal variance of errors across all the independent variables (Osborne & Waters, 2002). This means that researchers assume that errors are spread out consistently between the variables (Keith, 2006). Statistical software scatter plots of residuals with independent variables are the method for examining this assumption (Keith, 2006). Therefore, the homoscedasticity of the study is tested using scatter plots (See Appendix C).

### **3.5. Measures of Variables**

Determinant of Employees' Turnover Intention: The Case of Addis International Bank S.Co

Given the lack of academic work on the Determinant of Employees' Turnover Intention: The Case of Addis International Bank S.Co.

I found scales in the literature that were tested for their reliability which met the requirements of this study. The researcher used the 228 employee. As a starting point the researcher was test for their reliability for all items using SPSS V20.

#### **3.5.1 Dependent Variables**

Employee turnover - This variable was measured by three items. The majority of these items dealt with the Determinant of Employees' Turnover Intention in Addis international bank s.c.

#### **3.5.2 Independent Variables**

It should be noted that the data for the three independent variables were collected from the employee in Addis international bank s.c. Therefore, the independent variables represent the perceptions of the employee turnover regarding these concepts.

The multiple linear regression model equation was:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3$$

Where; Y is the dependent variable (employee turnover);

$\beta_0$  is the regression constant;

$\beta_1$ ,  $\beta_2$ , and  $\beta_3$  are the coefficients of independent variables;

X1 is internal factor;

X2 is external factor;

X3 is organizations' action;

### 3.6. Reliability and Validity Test

In this study, first of all, the reliability and validity of the job satisfaction facets (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) and turnover intention scales were assessed. The Cronbach's Alpha Coefficient was used in the reliability analysis of the scales. According to Hair et al (1998) above, 0.7 level of Alpha value considered the scale has overall stability and consistency.

**Table 3. 3: Reliability test result**

Variable	Items	Cronbach's Alpha(variables)
Achievement	4	0.863
Recognition	4	0.866
Responsibility	2	0.873
Advancement	4	0.868
Growth	3	0.863
Work itself	5	0.865
Compensation /Pay	6	0.870
Supervision	7	0.872
Work Conditions	5	0.869

Co Workers	5	0.880
Policies	4	0.871
Job Security	2	0.867
Status	2	0.879
Communication	4	0.873
Turnover Intentions	4	0.909

*Source: researcher's survey data from SPSS analysis result 2020*

On the other hand, after determining reliability, factor analysis was conducted to determine validity of job satisfaction dimensions and turnover intention scale. (Keiser-Meyer-Olkin) and Bartlett's test of sphericity can be used to examine assumptions relating to the appropriateness of the factor analysis. The KMO values above 0.60 are considered acceptable and Small values of Bartlett's test (less than 0.05) of the significance level indicate that a factor analysis is useful (SPSS Manual version 20).

### **3.7 Ethical consideration**

Throughout the study, the researcher maintained scientific objectivity and recognized the limits of his abilities. The study includes the analysis and review of academic literature, such as books and periodicals, but all respondents to the study enjoy the right to privacy and dignity of treatment and do not cause personal injury to the subject matter of study. The information obtained is kept strictly secret by the researcher. The researcher acknowledged all the assistance, collaboration with others, and the source of the information you get from it. These studies inform the will of those involved in research activities based on "equity", openness of intentions, detector of methods, respect or sincerity of the individual.



## CHAPTER FOUR

### 4. DATA ANALYSIS AND INTERPRETATIONS

In this chapter, the data is statistically analyzed using SPSS version 20 and the results are presented in five sections. In the first section the brief overview of the respondents' information presented. Secondly, the reliability and validity of the data presented. Thirdly, descriptive analysis presented. In the fourth section the correlation analysis of the data and finally the regression analysis of the study presented.

#### 4.1 Data Response Rate

The survey was conducted in AdIB's fifty three branches and head quarter including HR department. A total of 371 numbers of structured questionnaires were distributed to the respondents out of which 333 number of questionnaire were returned 38(10.24%) questionnaire were uncollected. Out of the returned 12 questionnaires or 3.60% of it not included in the further analysis due to incomplete and invalid response. Therefore, 321 questionnaires were processed for the analysis of data with a response rate of 86.52% which indicates acceptable survey response rate.

**Table 4. 1: Sample response per work unit**

work Unit	Frequency					Percentage (%)
	Administered	Returned	Uncollected	Missing	Analyzed	
OBM	42	39	3	2	37	88.09
SBM	36	33	3	1	32	88.88
OBCSO	33	30	3	1	29	87.87
SBCSO	31	28	3	1	27	87.09
DHM	51	46	5	4	42	82.35
ITDEP	35	32	3	1	31	88.57
FEMP	143	125	18	2	123	86.01
Total	371	333	38	12	321	86.52
Total (%)	100	89.75	10.24	3.60	86.52	

*Source: researcher's survey data from SPSS analysis result 2020*

#### 4.1.1 Demographic questioner response

**Table 4. 2. Gender of the respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	183	56.4	57.0	57.0
	Female	138	42.6	43.0	100.0
	Total	321	97.4	100.0	

*Source: researcher's survey data from SPSS analysis result 2020*

As indicated in the table above, 169(56.4%) of the respondents were male and 128(42.6%) of the respondents were Female. which indicates that there are more male employees than female; but it is a good proportion.

**Table 4. 3 Level of education**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	78	24.0	24.3	24.3
	B.A/ B.Sc	201	62.1	62.6	86.9
	M.A. /M.Sc	42	12.8	13.1	100.0
	PHD	0	0	0	-
	other	0	0	0	100.0
	Total	321	97.4	100.0	

*Source: researcher's survey data from SPSS analysis result 2020*

As indicated in the table above, 42(13.1%) of the respondents were on the level of M.A/M.Sc degree, 201(62.6%) of the respondents were on the level of B.A/ B.Sc degree, and78 (24.3%) of

the respondents were on the level of diploma. This shows that the company has employees of different educational level but more of from the B.A/ B.Sc degree. Since the majority of the respondents are educated, it is possible to that almost all employees are capable of understanding and answering the questions in questionnaires.

**Table 4. 4 Total years of experiences in AdIB**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-3	224	69.6	69.8	69.8
	3-6	47	14.2	14.6	84.4
	6-10	50	15.1	15.6	100.0
	Total	321	98.8	100.0	

*Source: researcher's survey data from SPSS analysis result 2020*

As indicated in the above table, 224 (69.6%) of the respondents were experienced up to 3 years, 47(14.2%) of the respondents were experienced in between 3-6 and 50(15.1%) of the respondents are a senior staffs having experience from 6 to 10 in the organization. This implies that the organization is dominated by employees who have been working less than five years and have few years of experience. Generally this report show us; the company has a full of junior staffs and it indicates that there is a high turnover.

**Table 4. 5 Job level in AdIB**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manager	69	20.2	20.5	20.5
	senior Officer	27	8.1	9.5	30
	Officer	29	9.0	9.0	39
	Supervisor	21	6.5	6.5	45.5
	Coordinator	52	16.1	16.1	62.6
	other	123	38.4	38.4	100.0
	Total	321	98.3	100.0	

*Source: researcher's survey data from SPSS analysis result 2020*

As shown in the above table, 123 (38.4%) of the respondents are working in the other positional level from the listed level, 52(16.1%) of the respondents are on the position of

coordinator,21(6.5%) of the respondents are supervisors, 29 (9.0%) of the respondents are officers in the organization, 27(8.1%) of the respondents are senior officer, and 69 (20.2%) of the respondents are a managers.

#### 4.1.2 Reliability and Validity Test

As indicated on table 4.6 below, the Cronbach's  $\alpha$  values of the factors of employee turnover (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) and turnover intention in this study are in the range of (0.863 to 0.909) all of which are above 0.7, are consistent with the suggested level of 0.7 by Hair et al. (1998). Hence, the scale has overall stability and consistency.

**Table 4. 6: Reliability test**

Variable	Items	Cronbach's Alpha(variables)
Achievement	4	0.863
Recognition	4	0.866
Responsibility	2	0.873
Advancement	4	0.868
Growth	3	0.863
work itself	5	0.865
Compensation/pay	6	0.870
Supervision	7	0.872
Work Conditions	5	0.869
Co Workers	5	0.880

Policies	4	0.871
Job Security	2	0.867
Status	2	0.879
Communication	4	0.873
Turnover Intentions	4	0.909

*Source: researcher's survey data from SPSS analysis result 2020*

After determining reliability, factor analysis was conducted to determine validity of Determinant of turnover intention and turnover intention scale.

**Table 4. 7: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.821
Approx. Chi-Square	15099.377
Bartlett' test of Sphericitydf	0.0001770

*Source: researcher's survey data from SPSS analysis result2020*

(Keiser-Meyer-Olkin) and Bartlett's test of sphericity can be used to examine sampling sufficiency & significance items for each factors. Accordingly the KMO is used in the study to measure the sampling adequacy and examines the degree of relationship among the questionnaire items. The KMO values above 0.60 are considered acceptable. Therefore, the above table result of the KMO measure of sampling adequacy is 0.821 tells us that the sample in this study is adequate. A small value of Bartlett's test (less than 0.05) indicates that the significance of items included for each factor.

### 4.1.3 Descriptive Analysis

According to Agresti (2002) statistical methods for variables of one type can also be used with variables at higher levels but not at lower levels. Analysts often utilize the quantitative nature of ordinal variables by assigning numerical scores to categories or assuming an underlying continuous distribution.

The analysis on Table 4.8, shows that descriptive statistics (mean and standard deviation) for level of job feeling dimensions and turnover intention. For the purposes of this study, this cut-off score was used to differentiate level, with scores below 3.39 indicating a low level, scores between 3.40 and 3.79 moderate level and scores above 3.8 a high level.

**Table 4. 8: Descriptive Statistics for the mean, Std.Deviation**

	N	Minimum	Maximum	Mean	Std. Deviation
Achievement	321	1.00	5.00	3.3184	1.07436
Recognition	321	1.00	5.00	3.1161	.82298
Responsibility	321	1.00	5.00	3.2601	.88921
Advancement	321	1.00	5.00	2.6705	.77755
Growth	321	1.00	5.00	2.9636	1.05164
work itself	321	1.00	5.00	3.2554	.89248
Compensation /Pay	321	1.00	5.00	2.8161	.77474
Supervision	321	1.00	5.00	3.4543	.85750
Work Conditions	321	1.00	5.00	3.1096	.66946
Co_Workers	321	1.00	5.00	4.0990	.54591
Policies	321	1.00	5.00	3.5466	.70000
Job Security	321	1.00	5.00	3.0576	1.03635
Status	321	1.50	5.00	3.2928	.82058
Communication	321	1.00	5.00	3.0910	.81253
Turnover Intentions	321	1.00	5.00	3.5670	.79635
Valid N (Listwise)	321				

*Source: researcher's survey data from SPSS analysis result 2020*

The researcher deployed, descriptive statistics analysis to understand the level of job feeling dimensions and turnover intentions of employees of AdIB.

In the above table it can be seen that the mean value of the independent variables (Achievement =3.3184 (SD =1.07436), Recognition = 3.1159 (SD =.82298), Responsibility = 3.2601 (SD=.88921), Advancement =2.6705 (SD=.77755),Growth= 2.9636(SD=1.05164),work itself = 3.2556(SD=.89248),Compensation/Pay = 2.8161(SD=.77474),Work Conditions = 3.1096(SD=.66946),3),Job Security = 3.0575(SD=1.03634), Status= 3.2927(SD=.82057)and Communication = 3.0910(SD= .81253) have low mean score below 3.39. It can be said that AdIB employees have low job feeling level related to these predictors or in general displaying low level of job feeling. On the other hand three independent predictors; Supervision= 3.4574 (SD= .86175),Co-Workers = 4.0991(SD= .54592), and Policies = 3.5467(SD= .70000) have moderate mean scores between 3.40 up to 3.79. From this, it can be said that respondents' are moderately satisfied in related to these three predictors. Whereas mean score of turnover intention is 3.5670. Hence, it can be said that AdIB employees have moderate level of intention to leave the company.

#### **4.1.4 Correlation analysis**

Correlation coefficient table 4.9, indicates that the direction and strength of job feeling dimensions; achievement ( $r=-.461$ ), recognitions ( $r=-.338$ ), responsibility ( $r=-.242$ ),advancement ( $r=-.351$ ), growth( $r=-.365$ ), work itself( $r=-.380$ ), compensation( $r=-.360$ ), supervision( $r=-.283$ ),job security( $r=-.419$ ),Work conditions ( $r=-.194$ ), co-workers( $r=-0.062$ ), policies ( $r=-.147$ ), communication ( $r=-0.095$ ) and status ( $r=0.0000$ ). Hence, it can be seen that all independent variables except job status have negative relationship with turnover intention. Furthermore, the below table shows factors of job feeling that has moderate relationship with employees turnover intention.

**Table 4. 9: Factors of job feeling that has moderate correlation with turnover intention**

Rank	Factors of job feeling	Effect size (r-value)	Reference
1st	Achievement	-.462	According to Cohen (1988) effect size, Moderate r-value ranges 0.30 to 0.49
2nd	Job security	-.419	
3rd	Work itself	-.381	
4th	Growth	-.366	
5th	Compensation	-.361	
6th	Advancement	-.350	
7th	Recognition	-.339	

*Source: researcher's survey data from SPSS analysis result 2020*

On the other hand table 4.9, revealed that six job feeling factors (supervision, responsibility, Work conditions, policies, co-workers and communication) have weak relationship with dependent variable. Besides, status has no correlation with turnover intention.



**Table 4. 10: Association of job feeling factors with employee turnover intention (Correlations)**

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Achievement	1														
Recognition	.570**	1													
Responsibility	.605**	.500**	1												
Advancement	.609**	.449**	.458**	1											
Growth	.708**	.575**	.464**	.637**	1										
Work itself	.683**	.540**	.469**	.557**	.706**	1									
Compensation/ Pay	.476**	.521**	.322**	.468**	.571**	.495**	1								
Supervision	.394**	.530**	.336**	.337**	.465**	.428**	.437**	1							
Work Conditions	.547**	.537**	.275**	.495**	.482**	.593**	.501**	.409**	1						
Co_Workers	.242**	.278**	.258**	.196**	.213**	.209**	.267**	.435**	.226**	1					
Policies	.443**	.475**	.297**	.417**	.381**	.409**	.385**	.339**	.599**	.290**	1				
Job Security	.645**	.490**	.390**	.613**	.587**	.634**	.460**	.296**	.529**	.167**	.440**	1			
Status	.183**	.372**	.170**	.297**	.187**	.156**	.286**	.355**	.380**	.153**	.428**	.249**	1		
Communication	.377**	.353**	.318**	.408**	.363**	.327**	.394**	.357**	.404**	.259**	.569**	.379**	.343**	1	
TurnoverIntentions	-.462**	-.339**	-.243**	-.350**	-.366**	-.381**	-.361**	-.283**	-.194**	-.062	-.147**	-.419**	.000	-.095	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

*Source: researcher’s survey data from SPSS analysis result 2020.*

#### **4.1.5 Regression analysis**

Table 4.11, indicates the investigation of the relationship between job feeling factors (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) and

turnover intentions. The R value is the correlation coefficient between the dependent variable and the independent variables taken together. The adjusted R square indicates the extent or percentage of the independent variables which can explain the variations in the dependent variable.

As per the multiple regression model result, the R value is .593, which shown that a high degrees of correlation between the dependent variable and independent variables exists, the adjusted R square value of 0.322 showed that those independent variables can explained 32.2 % of the variation in dependent variable i.e. turnover intention is explained by these fourteen predictors; while the rest of 66.9% turnover intention is influenced by other variables which are not incorporated under this study. *Since this model explains only 32.2% of the dependent variable that reveals the model is weak.*

**Table 4. 11: Multiple Regression Model Summaries**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593 <sup>a</sup>	.352	.322	.65567
a. Predictors: (Constant), Communication, Co-workers, Status, work itself, Responsibility, Compensation /Pay, Supervision, Advancement, Policies, Job Security, Recognition, Work Conditions, Growth,Achievement b. Dependent Variable: Turnover Intentions				

*Source: researcher’s survey data from SPSS analysis result 2020*

**Table 4. 12: ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	71.386	14	5.099	11.861	.000 <sup>b</sup>
Residual	131.549	306	.430		
Total	202.935	320			

a. Dependent Variable: Turnover Intentions

b. Predictors:(Constant),Communication,Co\_Workers,Status,workitself,Responsibility,Compensation/Pay, Supervision, Advancement, Policies, Job Security, Recognition, Work Conditions, Growth,Achievement

*Source: researcher's survey data from SPSS analysis result 2020*

Table 4.12, shows the ANOVA test on the general significant of the model. The result revealed that the set of predictors is statistically significant at predicting turnover intention, with F-statistic=11.861 and P-value (Sig. = 0.000) is less than alpha value 0.05. Therefore, the independent variables are significant to explain the variance in turnover intention.

**Table 4. 13: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.086	.318		12.859	.000
<b>Achievement</b>	<b>-.274</b>	<b>.061</b>	<b>-.370</b>	<b>-4.499</b>	<b>.000</b>
Recognition	-.116	.067	-.120	-1.734	.084
Responsibility	.101	.056	.113	1.812	.071
<b>Advancement</b>	<b>-.133</b>	<b>.070</b>	<b>-.129</b>	<b>-1.894</b>	<b>.047</b>
<b>Growth</b>	<b>-.132</b>	<b>.061</b>	<b>-.175</b>	<b>-2.151</b>	<b>.032</b>
Work itself	-.053	.069	-.060	-.769	.442
<b>Compensation Pay</b>	<b>-.224</b>	<b>.064</b>	<b>-.218</b>	<b>-3.526</b>	<b>.000</b>
<b>Supervision</b>	<b>-.190</b>	<b>.058</b>	<b>-.204</b>	<b>-3.274</b>	<b>.001</b>
<b>Work Conditions</b>	<b>-.131</b>	<b>.069</b>	<b>-.136</b>	<b>-1.921</b>	<b>.041</b>
Co-Workers	.128	.077	.108	1.825	.071
Policies	-.013	.076	-.012	-.176	.860
<b>Job Security</b>	<b>-.166</b>	<b>.053</b>	<b>-.216</b>	<b>-3.110</b>	<b>.002</b>
Status	.129	.054	.141	1.892	.063
Communication	-.130	.058	-.138	-1.920	.072

a. Dependent Variable: Turnover Intentions

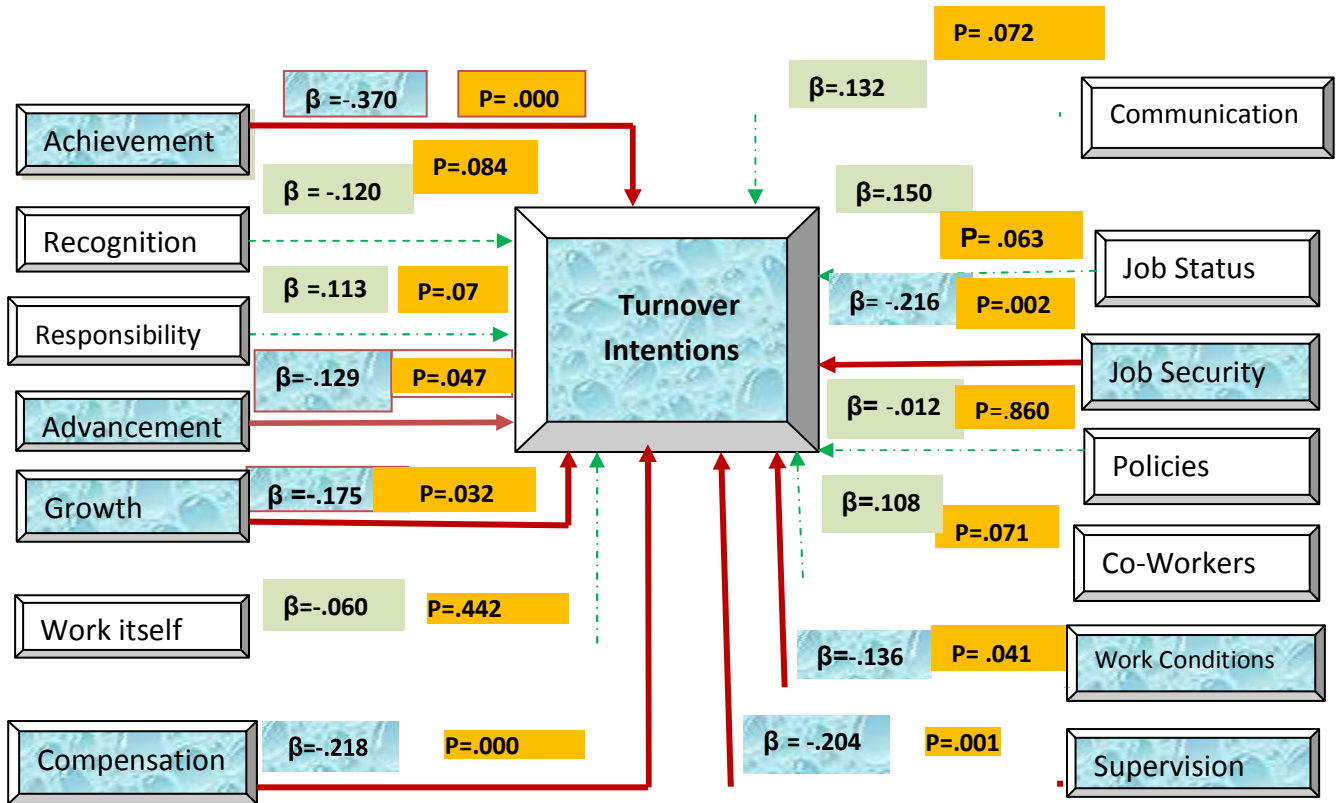
*Source: researcher's survey data from SPSS analysis result 2020*

Table 4.13, shows the extent to which each independent variables influence the dependent variable. The result shows the regression coefficient (beta) that has negative sign indicates the independent variables have negative impact on turnover intention. On the other hand, a positive sign of regression coefficients indicate positive impact.

The beta coefficient values shown on table 4.9; indicated that achievement has a coefficient of (-.370), compensation has a coefficient of (-.218), supervision has a coefficient of (-.204), job security has a coefficient of (-.216), growth has a coefficient of (-.175), work condition has a coefficient of (-.130) and advancement has a coefficient of (-.129) with significant p-value < 0.05 for all those seven predictors. Hence, these predictors (achievement, compensation/pay, supervision, job security, growth and advancement) have a negative relationship with employee turnover intention. It also has a significant impact (contribution) on turnover intention. Therefore, it can be said that the increase or decrease of the value of those variables has a significant impact on the level of employee turnover intention at AdIB.

The remaining factors of job feeling factors; recognition has a coefficient of (-.120), work itself has a coefficient of (-0.054), policies has a coefficient of (-0.019), status has a coefficient of (.150), communication has a coefficient of (.138), co-workers has a coefficient of (.108) and responsibility has a coefficient of (0.113) with significant p-value > 0.05 for all those seven predictors. As a result, these predictors have no significant effect on turnover intention. It can be said that the increase or decrease of the value of those variables have no significant impact on the level of employee turnover intention at AdIB.

**Figure 1: Structural Model of the study**



*Source: researcher's survey data from SPSS analysis result 2020*

The above figure revealed that achievement, advancement, growth, Compensation/Pay, Supervision, work condition and job security have a significant impact on turnover intention with the level of p-value < 0.05. (i.e. significance represent by solid array). Whereas the other predictor variables; recognition, responsibility, work itself, co-workers, policies, status, and communication have insignificant impact on turnover intention with the level of p-value > 0.05. (i.e. insignificance represents by brokenarray).

As the result of this the above figure, it can be said that achievement, Compensation/Pay, job security, and Supervision have contribute high to the variation of employees' turnover intention at AdIB from the higher to lower compare to other predictors under study. From this result we can say that both intrinsic (achievement, advancement & growth) and extrinsic

(Compensation/Pay, Supervision, work condition and job security) job feelings have an inverse relationship and effect on employees' turnover and turnover intention. Mahdi et al, (2012) stated that both forms of job feelings (intrinsic and extrinsic feelings) have inverse relationship on employees' turnover intentions. Even though, intrinsic job feelings have stronger influence on turnover intention. Existence of extrinsic job feelings also must be considered in measuring intention to quit.

## **4.2. Results of the Qualitative Analysis**

The analyst has made a meeting with human resource department staffs of the organization under examination (see appendix II section ), the entirety of the interviewees concur that their company is confronting turnover of experienced staffs.

Interviewees are asked an inquiry about exit interview when employees resign; answer that their organization has made some exit interview to collect the reason why they are leaving the organization. But they believe that the perfect or required exit interview is not practiced in the organization. Therefore questioners concur that the company did not make well exit interview for those who are leaving the company

For the second interview question; interviewees are likewise answered their organization has made some exit interview dealing to make the exiting employee stay in the organization and also they make some agreements with the specific and well experienced employee to protect the company from high turnover costs, but the organization is not capable to fulfill the hole exiting employee's agreement offers. Therefore it indicates that the company has no any strategy to gain a bargain power on the exiting employee.

As per the interviewees response on the third question; the organization mainly uses two specific strategies, those are salary increment or adjustment and promotional incentives to prevent the organization from a high employee turnover. But it doesn't work as expected; rather it create a high turnover rate because of the undervalued salary adjustment and the salary adjustment was seems like to give a high benefit for the higher positioned staffs like devising managers president vice president and the like. Therefore the respondents agreed on that the salary adjustment was target to protect and increase the specific higher positioned staffs or employee's benefit.

## **CHAPTER FIVE**

### **5. SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION**

This chapter indicates the resulted and finding based on the analysis done on the data collected from respondents. This research concerned on the Determinant of Employees' Turnover Intention in AdIB. The discussion then will attempt to carry out all the objectives of the study.

As result, recommendations are given for the target organization to confront problem at hand.

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

The main purpose of the study was to identify the Determinant of Employees' Turnover Intention: The Case of Addis International Bank S.Co.

The study was conducted using descriptive survey method. It employed reliability and validity test to confirm the stability, consistence, sampling adequacy and the strength of degree of relationship among the questionnaire items. After the reliability and validity test, the study applied descriptive, correlation and regression techniques of analysis using SPSS version 20 (Statistical Package for Social Science). The survey was conducted in AdIB Head office and fifty three branches' in Addis Ababa. A total of 371 numbers of structured and self- administered questionnaires were distributed and 321 of them were successfully collected with a response rate of 86.52%. This study utilized questionnaires consists of 64 items categorized into two sections where 4 items were for demographic variables,14 predictors which consists of 56 items and 1 dependent variable which consists of 4 items. Independent and dependent variable items utilized five point Likert-scale ranked from strongly disagree to strongly agree where 1 - “strongly disagree”, 2 - “disagree”, 3 - “neutral”, 4 -“agree” and 5 - “strongly agree. And also there was an interview questioner which has three questions and it was distributed to the specific group of sample population.

After the reliability and validity test of the independent and dependent variables confirmed .The researcher applied descriptive statistics analysis to find the Determinant of Employees' Turnover Intention as well as to identify the internal and external determinant of turnover intention of employees. The second data analysis method used by the researcher was the correlation analysis



method to measure the directions and strength of the relationship between two variables. The researcher also implemented multiple regression analysis to understand which major factor affects employees' turnover and employee's intention to leave AdIB.

Based on the analysis and interpretation of the data the researcher presented the summary of the major findings as shown below:

The first findings of the study (descriptive analysis) showed that the mean value of 11 job feeling factors (achievement, recognition, responsibility, advancement, growth, work itself, compensation/pay, work conditions, job security, job status and communication) have low mean score below 3.39 which indicates respondents feel that relatively less satisfied on these predictors or it can be said that employees' of AdIB have low level of job feelings. Therefore, these predictors are contributing factors for employees' turnover intention at AdIB. Furthermore, among these predictors; advancement, compensation/pay and growth had the lowest mean value scored 2.6706, 2.8162, and 2.9637 respectively and it is considered as a major Determinant of Employees' Turnover Intention

The second findings of the study using correlation analysis revealed that nine factors of job feeling (achievement, recognitions, responsibility, advancement, growth, work itself (intrinsic variables) and, compensation, supervision and job security (extrinsic variables)) have moderate, negative and significant relationship with turnover intention, While the other three independent variables which is extrinsic variables (Work conditions, co-workers and communication) have weak, negative and significant relationship with employee turnover intention. Besides; job status has no relationship and policy has negative and insignificantly associated with turnover intention.

The third findings of the study using regression analysis showed that the adjusted R square value of 0.322 depicting 32.2 % of the variation in employees' turnover intention is explained by the factors of job feelings used in this study, while the rest of 66.9% turnover intention is influenced by some other variables.

More specifically, the regression coefficient (beta) also showed the extent to which each independent variables influence the dependent variable. Accordingly, achievement, compensation/pay, supervision, job security, growth, work condition and advancement have a negative and significant beta values at the level of  $P < 0.05$ . Therefore, it can be said that the

increase or decrease of the value of these factors of job feeling had a negative and significant impact on the level of employees' turnover intention at AdIB.

Amongst these factors of job feeling, achievement, Compensation/Pay, job security, and Supervision have contribute relatively high impact to the variation of turnover intention and treated as a major Determinant of turnover intention of employees at AdIB with Beta value - 0.370,-0.224,-.218, and -.204 respectively. More clearly speaking, a 100% improvement in achievement results in reducing the intention of employees to leave by 37%, a 100% improvement in compensation results in reducing the intention of employees to leave by 22.4%, a 100% improvement in job security results in reducing the intention of employees to leave by 21.8% and a 100% improvement in Supervision results in reducing the intention of employees to leave by 20.4%.

## **5.2 Conclusion**

With respects to the above summary of findings the following points could be concluded:

- 5.2.1 The correlation analysis showed that the predictor variables (achievement, recognition, responsibility, advancement, growth, work itself, compensation/pay, work conditions, co-workers, job security, policies, and communication) have moderate, negative and significant relationship with turnover intention at AdIB and these predictor variables are contributing significantly to employees' turnover intention and the existing level of job feeling is low at AdIB. According to Chiang & Hsieh (2012) the higher the job satisfaction, which in turn decreases turnover intentions. (Saeed, et.al. 2014). They proved on their study that negative relationship between the job satisfaction and turnover intention. When the job satisfaction is greater the turnover intention will be lesser and vice versa. So that AdIB is facing the high level of employee turnover intention.
- 5.2.2 Among these factors of job feeling; advancement, compensation/pay and growth had the lowest mean value scored and these three factors playing a major role for employees' turnover at AdIB as compared to other job feeling factors considered in this study; and in this reason this three variables are considered as the company's main Determinant of turnover intention of employees.
- 5.2.3 The organization mainly uses two specific strategies; those are salary increment or

adjustment and promotional incentives to prevent the organization from a high employee turnover. But it doesn't work as expected; rather it create a high turnover rate because of the undervalued salary adjustment and the salary adjustment was seems like to give a high benefit for the higher positioned staffs like division managers president vice president and the like.

### **5.3 Recommendation**

Job feeling or satisfaction is one of the primary reasons for employees to quit their jobs in an organization Baraket (2001). When employees leave an organization, they take knowledge capital, relationships and investments along with them. Intelligent employers never undermine the importance of retaining the best talent. Business strategies in general and HR policies and practices in particular must be framed in such a way that they ensure retention of key performers. Therefore, in order to achieve the company mission and strategic goals; AdIB should work continuously to attract, develop, manage, motivate and retain committed employees. In view of the above discussion, the following suggestions are recommended to the policy makers and /or AdIB management (from highest to lower level management) in general and HR in particular which will help to increase level of employees' job feeling or satisfaction and in turn reduce level of employees' turnover intention at AdIB.

1. The first findings of the study also showed that advancement; compensation/pay and growth with the lowest mean score were the major Determinant of turnover intention of employees and found to be playing a major role for employees' turnover intention at AdIB compared to other turnover factors or variables considered in this study. Therefore, it has been recommended that AdIB management in general and HR in particular:
  - Should develop human resource management policy and procedure manual that includes all HR functions. Specifically, training and development department has to develop career growth and career advancement opportunities policy and procedure manual which can guarantee employees on; development of skills and abilities, fairness of promotion opportunities, and transparency of promotion functions.
  - Personal management functional unit should make exit interview for employees

who leave the company voluntarily, so this helps to know partially the reasons of the employees' turnover and helps managements to take appropriate action for the problem.

- Develop proper human resource management retention policy and strategy to reduce turnover intention as a result to retain key performer employees.
- Managements (the highest to lower level managements) have to acknowledge employees achievements and accomplishments on a daily, weekly, monthly and annual basis. In addition to this, executing a formal program to recognize top achievers in every job category is essential. Furthermore, these acknowledgements create healthy competition environment among employees that helps to increase happiness and reduce turnover intention.
- Executive management and HRD should develop management member administration policy and procedure manual which can guarantee management members on; fair promotion opportunities, demotion without reason (position, salary and benefit) fire without any justification and in general job security. The corporate governor is responsible to approve and monitor the proper implementation of policy.
- HRD has to make the nature of the work more challenging and inspiring by doing job enrichment, job enhancement and job enlargement in order to increase employees' job feeling or satisfaction level in turn to reduce employees' turnover intention. Samuel E.M. (2012) confirmed that the higher the satisfaction with nature of work the lower the employee turnover intention.
- Management in general and Sourcing and facility division in particular has to create standardize working environments; standardize office, office equipment ,furniture, office layout, proper lighting, free of noise , clean restrooms, free of toxic substance and their exposure as well as other health and safety provisions depend on the nature of the work. That helps to increase job feeling in turn reduces employee turnover intention.

2. Among the above stated factors *achievement, Job security, and Work itself* were

found negatively and significantly associated with employees' turnover intention with the highest r-value respectively and advancement, compensation/pay and growth had the lowest mean value scored respectively this specific factors can be treated as the main Determinant of turnover intention of employees.

- Have to conducting the annual employee feeling or satisfaction survey for the total staffs by providing delegation for branch managers and division head managers rather than monitoring central which helps to increase respond rates. Therefore, based on the survey result the managements should take appropriate remedy action.
- Should conduct market analysis on the inflation of money and also analyze AdIB compensation system fairness and competitiveness (specifically compensation department has to do it). Based on the analysis result the executives and corporate governors have to give decision that help to build fair, competitive compensation and benefit packages of AdIB. According to Lai (2011), an efficient compensation system leads in organizational growth and development which reveal a positive correlation between job feeling and skill based pay, job based pay and performance based pay which helps to increases job feeling and reduce turnover intention.

Since the Human resource is key to every function of the organization, the management of the organization should give attention to the issue and improve retention mechanisms by taking into consideration several factors. Organizations that focus on employee development enjoy higher employee commitment to its values and objectives, which leads to employee's satisfaction and sense of belongingness as well as lower turnover. If the organization has well developed development strategies that contain a variety of growth opportunities such as career planning, merit based promotion and personal development. The management should devise a career development programs for employees. Career ladder is one method organization used to promote employees which allows employees to grow in their career based on rules in effect that set forth the guidelines for promoting an employee when they has completed a predetermined length of service, such as one year or when they has demonstrated their ability to perform the duties at the next level of his/her position.

3. Based on the qualitative analysis on the company's strategies to prevent employees turnover; the researcher recommends AdIB the following issues to practice:
- Select the opportune individuals in any case through conduct based testing and competency screening. Certainly, an on location talk with gives you a vibe whether the individual can fit inside your way of life, yet your vital aspect in choosing the best representatives is to decide how well they can do the work. The opportune individual, in the correct seat, on the correct transport is the beginning stage.
  - At a similar time, don't disregard to enlist individuals with the natural ability, capacity, and smarts to work in practically any position regardless of whether you don't presently have the best match accessible.
  - Provide open doors for individuals to share their insight at work through instructional meetings, introductions, coaching others and group tasks. Workers like to share what they know; the demonstration of encouraging others guarantees the representative's own learning. Preparing others is the best pointer of learning.
  - People need to make the most of their work. Make work fun. Draw in and utilize the extraordinary gifts of every person. A day without chuckling ought to be unusual for workers.
  - Enable representatives to adjust work and life. Permit adaptable beginning occasions, center business hours and adaptable closure times.
  - Provide openings inside the organization for broadly educating and vocation movement. Individuals like to realize that they have space for profession development. This is a genuine obstacle to worker turnover if the representative has a profession way that energizes them.
  - Provide the open door for profession and self-awareness through preparing and instruction, testing tasks and greater duty.
  - Communicate objectives, jobs, and duties so that individuals realize what is normal and they feel like piece of the group worth knowing.

- According to explore by the Gallup association, urge representatives to have great, even best, companions, at work. This will build their obligation to you as a business.

The organization should review its job content and description to make jobs interesting and increase job satisfactions, compensation practices that are fair and competent and favorable working environment which is safe, motivating and adequately resourced for employees to perform their duties with their full capacity and effort so that, the employee will have little reason to look for outside or quit.

#### **5.4 Future Research Directions**

The research findings reported in this study make a valuable contribution to create awareness of the determinant of turnover intention of employees through underlying variables; internal factors and External factors. However, additional research is needed to further investigate other determinant of turnover intention.

In addition, this research was fully targeted to assess the determinant employee turnover intentions in AdIB in fifty three branches located in Addis Ababa and it was not included the other outlay branches of the organization which is located in the different parts of the country. Thus, study encompassing the different branches under AdIB and other banks turnover related issue can be also future research area.

The study also contribute to the AdIB i.e Human Resource Management and the hole management bodies at different level to be aware of the determinant of employee turnover intent and allow them to proactively put or set certain assertive mechanism and retention strategy to reduce turnover and increase organizational commitment and develop sense of belongingness via keeping the talented and high skill employees to perform better to the intended objectives or mission and vision of the organization.

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# Appendixes

**St. Mary's University**  
**School Of Graduate Studies**  
**Department Of Management**  
**MBA Program**

## **Appendixes I: Questionnaires to be filled by Employees of Addis International Bank S.C**

### **Dear respondents;**

This questionnaire is designed to collect data for the master thesis on the topic “Determinant of Employees' Turnover Intention: The Case of Addis International Bank S.Co” to fulfill the partial requirements of the Executive Master of Business Administration (EMBA) degree in Management. The purpose of this study is to identify the Determinant of Turnover Intention of Employees. Therefore, your genuine response and willingness to participate in this research undertaking is highly appreciated. Since this research is only for academic purpose authorized by the St. Mary's University, be sure that the information you provide will be kept confidential. Hence it is not necessary to write your name. Your participation is of great value for the success of this study, and therefore, I would like to thank you in advance for your kind cooperation in filling to this questionnaire. If you have any question regarding this questionnaire, please contact ABEL HAILU Mobile No.09-12-11-08-41

### **NB.**

- +** No need of writing your name.
- +** Encircle the letter of your choice and put the [✓] mark in the box provided.
- +** Please respond as accurately as possible and at your earliest possible time.

**Thank you for your cooperation!**

## Part I. General Information

Please put sign (✓) in the box for the choice appropriate for you.

1. Sex:  Female  Male

2. Level of education:

Diploma  B.A/ B.Sc.  M.A. /M.Sc.  PHD  other \_\_\_\_\_

3. Total years of experiences in AdIB

0-3       3-6  6-10

4. What is your job level in AdIB

Manage  senior Officer  Officer  Supervisor  Coordinator

other \_\_\_\_\_



**Part II- Please Rate These Questions Based On Your Opinion**

**SD = Strongly Disagree, D= disagree, N= Neutral, A= Agree, SA= Strongly Agree**

<b>Variables /Item</b>		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
<b>Job feeling</b>						
<b>Achievement</b>						
1	I like the feeling of accomplishment I get from the job					
2	I am proud to work in AdIB because it recognizes my achievements					
3	I feel satisfied with my job because it gives me feeling of accomplishment					
4	I feel I have contributed towards AdIBgoals					
<b>Recognition</b>						
1	I feel appreciated when I achieve or complete a task					
2	My boss/ manager /supervisor always thanks me for a job well done					
3	I receive adequate recognition and rewards for a job well done					

4	I like the recognition I get for doing my job well					
<b>Responsibility</b>						
1	I like the freedom to use my own judgment					
2	I have opportunity for independent thought and action					
<b>Advancement</b>						
1	I will choose career advancement rather than monetary incentives					
2	My job allows me to learn new skills for career advancement					
3	There is a good promotion and career prospect to right candidate in AdIB					
4	Experience, skills & Performance are well recognized in AdIB					
<b>Growth</b>						
1	I am proud to work in AdIB because I feel I have grown as a person					
2	My job allows me to grow and develop as a person					
3	My job allows me to improve my experience, skills and performance					
<b>The work itself</b>						
1	I have a lot of variety in tasks that I do					
2	I am empowered enough to do my job					

3	My job is challenging and exciting					
4	I feel that the amount of work I am expected to do is reasonable					
5	I always feel that my contribution is important in achieving organization mission,					
<b>Compensation /Pay</b>						
1	I am satisfied with the company salary scheme					
2	AdIB supports me on my career development through incentives					
		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
3	AdIB provides excellent fringe benefit package (medical, insurance, allowance, leave...etc).					
5	I receive an additional payment if I do additional work.					
6	I am fairly paid for what I contribute to AdIB					
<b>Supervision</b>						
1	My immediate boss enables me to perform at my best capacity					
2	My immediate boss promotes an atmospheres of teamwork					
3	It is clear to me what my immediate boss expects of me regarding my job performance					
4	My immediate boss provides me with actionable suggestions with					

	what I can do to improve					
5	When I have questions or concerns my immediate boss is able to address them					
6	I feel satisfied at work because of my relationship with my immediate boss					
7	My immediate boss are strong and trustworthy leaders					
<b>Work Conditions</b>						
1	My job able to keep me busy all the time					
2	I have to work hard at my job because of the incompetence of people I work with					
3	I feel satisfied because of the comfort I am provided at work					
4	At work, I have the necessary equipment and tools to facilitate my job.					
5	At work, AdIB provides an independent and healthy work environment.					
<b>Co-Workers</b>						
1	It is easy to get along with my colleagues					

2	My colleagues are cooperative and friendly					
3	I enjoy my co-workers					
4	My Colleagues are important to me					
		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
5	I have good interactions with my coworkers and supervisor					
	<b>Policies</b>					
1	I clearly understand the policies and strategies of AdIB					
2	AdIB's policy is favorable for its workers					
3	I completely understand the mission of AdIB					
4	AdIB's business process assists me in doing a good job					
	<b>Job Security</b>					
1	I believe safe working at my workplace					
2	I believe my job is secure					
	<b>Status</b>					
1	I give more preference to my position then benefits					
2	I have the chance to be somebody in the community					
	<b>Communicati on</b>					

1	Employees are regularly informed of major corporate projects, financial results, new products and/or services, technological changes ahead... etc					
2	There is good communication from employees to managers in AdIB					
3	Employees' suggestions are taken into consideration at AdIB					
4	In my work unit, employees are regularly informed of the criteria used for their performance evaluation					
<b>Turnover Intentions</b>						
1	I hear about jobs outside my company that interests me					
2	I often consider leaving my current job.					
3	I intend to quit my current job.					
4	I have already started to look for other jobs.					

*Adopted from: Parry, J. (2008)*

*Thank you for your time!!!*

**St. Mary's University**  
**School Of Graduate Studies**  
**Department Of Management**  
**MBA Program**

**Appendixes II: Interview Questionnaires with HRD staffs and other AdIB employees.**

**Dear respondents;**

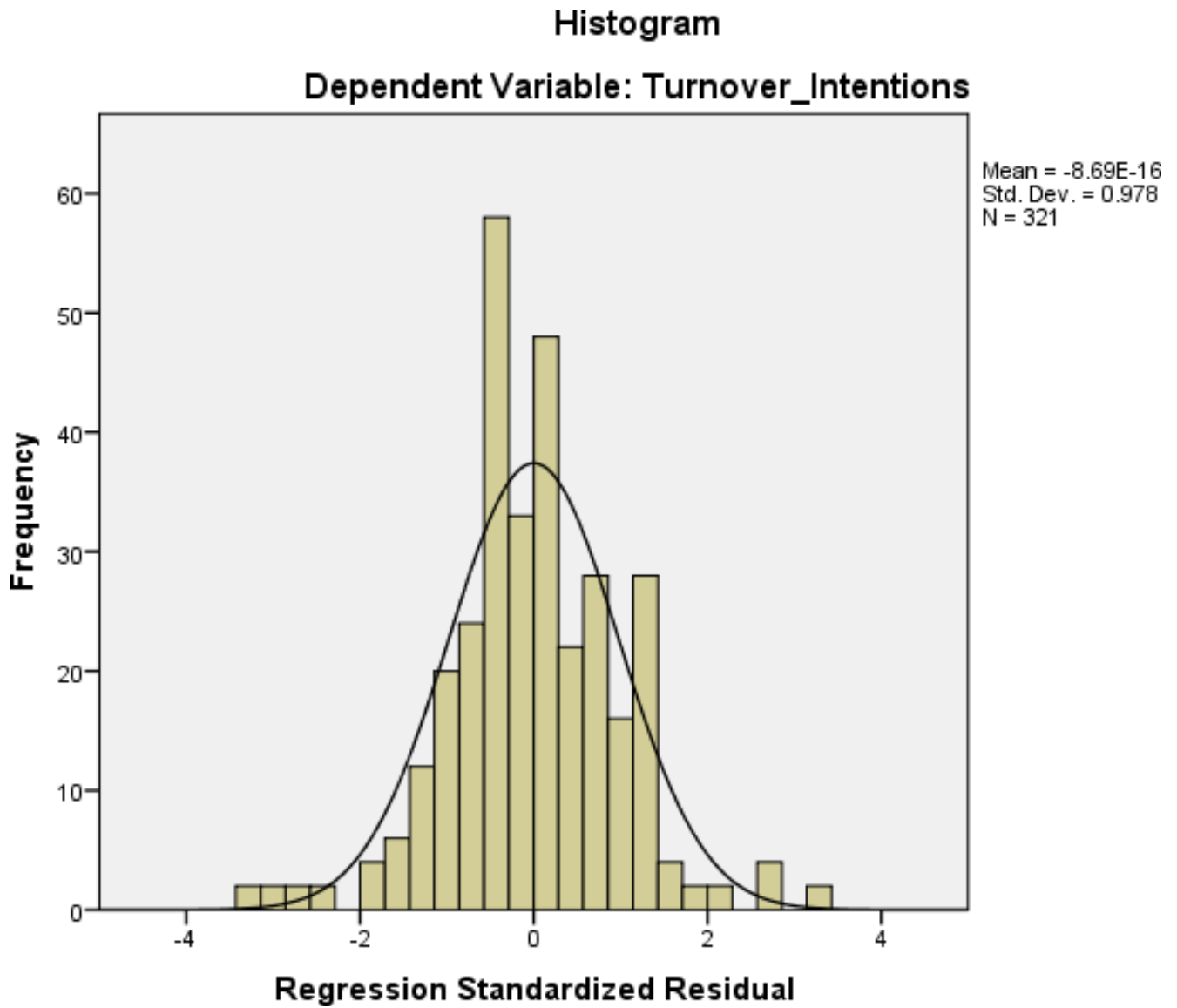
This questionnaire is designed to collect data for the master thesis on the topic “Determinant of Employees' Turnover Intention: The Case of Addis International Bank S.Co” to fulfill the partial requirements of the Executive Master of Business Administration (EMBA) degree in Management. The purpose of this study is to identify the Determinant of Turnover Intention of Employees. Therefore, your genuine response and willingness to participate in this research undertaking is highly appreciated. Since this research is only for academic purpose authorized by the St. Mary's University, be sure that the information you provide will be kept confidential. Hence it is not necessary to write your name. Your participation is of great value for the success of this study, and therefore, I would like to thank you in advance for your kind cooperation in filling to this questionnaire.

**Company's strategy on employee turnover**

1. Is management aware about employee turnover of at your organization?
2. Do you/ they make exit interview, when employees resign?
3. Did the organization try to make the exiting employee stay in the organization? If they do; please state what kinds of actions were taken?

*Thank you for your time!!!*

**Appendix III: Histogram**

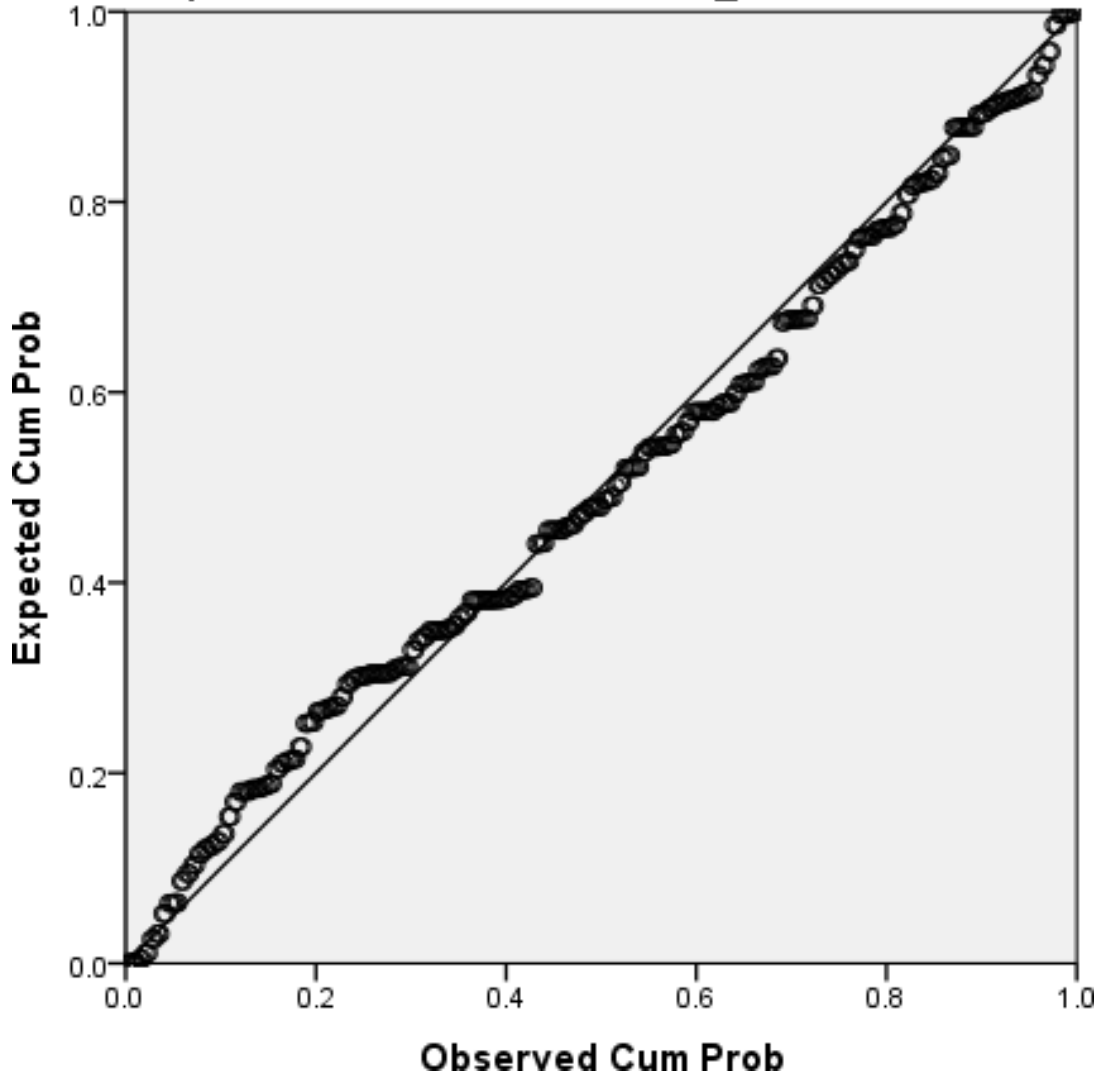




**Appendix IV: Normal P-P Plot**

**Normal P-P Plot of Regression Standardized Residual**

**Dependent Variable: Turnover\_Intentions**



Appendix V: Scatter plot

