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ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA – PROGRAM

DETERMINANTS OF EMPLOYEE TURNOVER IN
COMMERICAL BANK OF ETHIOPIA: THE CASE OF
WEST ADDIS ABABA DISTRICT

BY:

AZIMERAW BAYH YHUN

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FULFILLMENT OF THE REQUIREMENTS FOR THE
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February 2017

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Letter of Certification

This is to certify that Azimeraw Bayh has carried out this thesis on the topic of “Determinants of Employee Turnover in Commercial Bank of Ethiopia: the case of West Addis Ababa District” under my supervision. This work is original and suitable for the submission in partial fulfillment of the requirement for the award of Master of Business Administration (MBA).

Dr. Tilaye Kasahun

Signature-----

Date-----

Declaration

I, Azimeraw Bayh Yhun declare that this work entitled “Determinants of Employee Turnover in Commercial Bank of Ethiopia: the case of West Addis Ababa District”, is the outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of MA in Business Administration [MBA].

By: Azimeraw Bayh

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Date-----

Advisor: Dr. Tilaye Kasahun

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Abstract

Human resource management particularly in its function of reducing staff turnover and enhancing retention plays a significant role in the achievement of company objectives and realization of long-term strategies by retaining human skills and commitments that are crucial for success. This fact has also been supported by empirical research work and it is, now-a-days, a trend to retain employees by applying different incentive packages so that employees will stay based on their will.

The research examined the determinants of employee turnover in CBE under West Addis Ababa District. The research design used in this study was both the quantitative approach and the qualitative approach, which allow the researcher to use structured questionnaires when collecting data and interview respectively. The researcher employed simple random sampling techniques in selecting current employees, while ex-employees were selected purposively.

The Statistical Package for Social Science (SPSS) version 20 for Windows was used for statistical analysis of the main responses. The study showed the determinant factors of turnover and forwarded the possible recommendation that could be helpful for the bank to avoid or minimize the level of existing turn over so as to improve its performance.

Acronyms

HR	Human Resource
CBE	Commercial Bank of Ethiopia
WAAD	West Addis Ababa District
CSO	Customer service officer
HRD	Human resource development
LT	Labor Turnover

List of Table	page
Table 3.1 sample size determination table	34
Table 4.1.1 demographic characteristics of respondents.....	38
Table 4.2.1 magnitude of employee turnover under WAAD.....	40
Table 4.3.1 category of mean value.....	42
Table 4.3.2 Current employee response about their job.....	43
Table 4.3.3 current employee's response about remuneration scheme.....	46
Table 4.3.4 current employee's response about management and employee relation...	47
Table 4.3.5 current employee's response about promotion, career development and working environment.....	49
Table 4.3.6 current employee's response about effective measures to reduce staff turnover.....	51
Table 4.4.1 Ex-employees response on poor Compensation system.....	52
Table 4.4.2 Ex-employees response on poor leadership and communication system.....	52
Table 4.4.3 Ex-employees response on lack of training development opportunity.....	53
Table 4.4.4 Ex-employees response on seeking of better job opportunity.....	53
Table 4.4.5 Ex-employees response on lack of social and interpersonal relation.....	54
Table 4.4.6 Ex-employees response on absence of career development.....	54
Table 4.4.7 Ex-employees response on lack of clear grievance handling mechanism.....	55
Table 4.4.8 Ex-employees response on poor performance measurement system.....	56

Table of Contents

Letter of Certification.....	IV
Declaration.....	V
Acronyms.....	VIII
List of Table.....	IX
CHAPTER ONE	1
INTRODUCTION.....	1
1.1. Background of the Study	1
1.2. Statement of the Problem.....	3
1.3. Research Questions.....	4
1.4. Objectives of study	4
1.4.1. General objective	4
1.4.2. Specific objectives	4
1.5. Significance of the Study	5
1.6. Scope of the study	5
1.7 Organization of the study	5
CHAPTER TWO.....	7
REVIEW OF RELATED LITERATURE.....	7
2.1. Introduction.....	7
2.2. Theoretical Literature Review	8
2.2.1. Types of Turnover.....	8
2.2.2. Causes of Staff Turnover	10
2.2.3. Factors Affecting Reduction of Staff Turnover and effective methods to reduce staff turnover.....	16
2.2.4. Managing Staff Turnover.....	20
2.2.5. Deployed motivation program	22

2.2.6. Understanding Employee Reasons for Leaving	23
2.2.7. Measurement of Turnover.....	24
2.3. Empirical Literature Review	28
2.4. Conceptual framework of the study.....	31
CHAPTER THREE	32
RESEARCH DESIGN AND METHDOLOGY	32
Introduction.....	32
3.1 Research Design	32
3.2. Population of the Study, Sampling Method and Sample size	33
3.3. Data Collection Instrument	35
3.4. Data Collection Procedure	35
3.5. Analysis of data	35
3.6 Ethical considerations.....	36
CHAPTER FOUR	37
DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS.....	37
4.1 Demographic characteristics of respondents	37
4.2. Magnitude of turnover at CBE under WAAD	40
4.3. Analyses of data pertinent to the study	41
4.4 Analysis of ex-employee’s response about causes that forced them to resign from the bank	52
4.5. Management View on current employee turnover.....	56

CHAPTER FIVE	58
SUMMARY, CONCLUSITON AND RECOMMENDATION	58
5.1 Summary.....	58
5.2 Conclusion	59
5.3 Recommendations.....	61
Reference	63
Appendix	69

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Human capital was the most valuable resource for the success of any organization. Swanson and Holton (2001) defined Human Capital as the “knowledge, expertise and skill that one accumulate through education and training. Human capital was not solely the people in organizations it was what those people bring and contribute to organizational success. Human capital was the collective value of the capabilities, knowledge, skills, life experiences, and motivation of an organizational workforce (Mathis, 2010). It is only through people that input of the organization is transformed into service or product. Without human resource an organizations cannot attain its intended goal and objectives. Concepts such as human capital, core competencies, intellectual capital, organizational capabilities, high performance work systems, process management, value base teams, and high performance teams have affirmed the role of HRM to organizational performance (Cho, 2006). This is the main reason why employees are being hired in an organization. Hitt and Ireland (2002) observed that organization need to hire, develop and strategically use human capital as it is the most important resource in sustaining competitive advantage, performance and important element of intangible assets of an organization. The emphasis on human resource to improve organizational performance and competitiveness has become stronger not only because they cannot be copied or imitated by others, but also they provide an effective and rapid response to market demand (prahalad & hamel 1990, Stalk. Evans & Schulman 1992, Huselid 1998, Cho, et al. 2006) as cited by Altarawmneh, (2010).

Organizations are going concern and set up for fulfilling clear mission and objective. Therefore, they have the challenge of ensuring that they retain the human talents and makes to increase their productivity to achieve the desired goal and mission.

In a human resource context, employee turnover is the rate at which an employer gains and or loses its employee. If an employer is said to have high turnover relative to its competitors it means that employee of that company have a shorter average occupancy than those of other companies in the same industry. High turnover of skilled worker may be harmful to a company than those of competitor in the same industry. High turnover may be harmful to company's performance. Unless and other wise organization retain workers for reasonable period, they are unlikely to be able to provide the quality service required to remain competitive.

Morrow and McElroy (2007), in their study of turnover and performance in a banking institution noted that turnover created productivity inefficiencies and the inefficiency in turn affected the institution's performance both in financial and non-financial terms.

HR professionals of some financial institutions are busy in recruiting new employee and seen of the employee who wants to move from the organization rather to accomplish very useful task that contribute a lot for the growth of the bank and existing employee.

Background of Commercial Bank of Ethiopia

The commercial bank of Ethiopia is the largest commercial bank in Ethiopia. As of 2015, it had 303.6 billion birr in assets and held approximately 67% deposits and about 53% of all bank loans in the country. The bank has around 22,908 employees who staff its headquarters and it's over 1000 branches positioned in the main cities and regional branches. The bank operates two branches in south Sudan, and is contemplating opening re-opening a branch in Djibouti, and opening branches in Dubai and Washington, DC all to serve Ethiopian Diaspora.

The bank is pioneer to introduce modern banking to Ethiopia and credited for playing a catalyst role in the economic progress and development of the country. It is also the first bank in Ethiopia to introduce ATM service for local users. Pioneer to introduce Western Union Money Transfer Services in Ethiopia early 1990s and currently working with other 20 money transfer agents like Money Gram, Atlantic International (Bole), Xpress Money. CBE has opened two branches in South Sudan and has been in

the business since June 2009. CBE has reliable and long-standing relationships with many internationally acclaimed banks throughout the world. CBE had fifteen districts in Ethiopia and four districts are found within Addis Ababa and Addis Ababa area.

Vision

“To become a world class commercial bank by the year 2025.”

Mission

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

1.2. Statement of the Problem

Employee turnover affects organization in that they suffer with the loss of job specific skill that disrupt production, incur cost of hiring and training of new employee, the cost related to the production of low qualities of the product, separation cost (exit interview time, unemployment expense, legal fee and of the accrued expenditure) and suffer with loss of knowhow, customer goodwill and potential sales.

As an organization CBE faces employee turnover and this would have negative impact on performance and effectiveness to realize the expected growth. Currently, CBE was facing a frequent staff turnover, and as such, the high turnover is costing the bank interims of productivity, money, and time. According to HRM profile the total numbers of employees resigned from the district are 34,51,41,76 and 203 in the year 2012, 2013, 2014, 2015, and 2016 respectively. Unfortunately, employee turnover rate was escalated to 22.6.4% during the 2016.

In line with this fact, there is a need to examine the human capital issue and develop a further understanding of employee turnover especially its determinant factors in Commercial Bank of Ethiopia.

The reason that why this research topic is selected is that there are a number of workers who are not satisfied with their job for various reason and wants to quit their job when they get relatively better job than the existing. The reason is not that they are not competent but there are few factors that affect the commitment and satisfaction of the employee towards the job, some are job title, job satisfaction, stress, benefit and relation with supervisor and their over ambition to grow. The current study endeavored to determine the determinants of banks staff turnover through seeking the factors of employee turnover in CBE. This would help the management in formulating a HR policy that would help achieve company objectives.

1.3. Research Questions

The following research questions are the questions that this study answers:

- What seems employee turnover rate trend over the last five years in CBE WAAD?
- To what extent does employee turnover vary with occupation, education level, sex, age, and work experience?
- What are the causes of staff turnover in CBE WAAD?
- Which type of turnover is most serious in the Bank?

1.4. Objectives of study

1.4.1. General objective

The general objective of this study was to investigate the factors of staff turnover in Commercial Bank of Ethiopia under west Addis Ababa District.

1.4.2. Specific objectives

The study has the following specific objectives:

- To investigate employee turnover rate in CBE WAAD.
- To examine the extent that employee turnover varies with occupation, education level, sex, age and experience.
- To investigate the causes of staff turnover in CBE WAAD.
- To identify the most serious type of turnover in CBE WAAD.

- To identify the ways of reducing Employee turnover in CBE WAAD.

1.5. Significance of the Study

The study's findings may help the Bank improve on their human resource policy and decision making with regard to management of their human resources so as to optimize the value of the bank and maintain a favorable trade-off between labor retention and performance. The findings may also be of great benefit to future researchers in the field of human resource management in providing relevant literature in building up the course of study. It may benefit other scholars and students of human resource management who may use the findings for academic purposes.

With human resource management playing a major role in achieving short and long term strategies of different firms, its efficient management is necessary in achieving the goals of increased performance and productivity. The study should provide valuable recommendations about ways through which the human resource can be effectively utilized in corporate decision making.

1.6. Scope of the study

The geographical expanse of the study area was a challenge, giving rise to time and financial resource constraints. This study would target employees of Commercial Bank of Ethiopia in Addis Ababa under West Addis Ababa District. Due to its difficulty to address all positions in the bank this research focuses on CSO-checker, CSO- maker, CSO- accountant, CSO- auditor, and CSO- chief cashier who does have non managerial positions. The trend analysis of the research study covered from 2011-2016.

1.7 Organization of the study

This project report is organized into five consequential chapters. The first chapter deals with the introduction part comprising statement of the problem, objectives and other relevant introductory issues. The second chapters focus on Literature review. An eye bird view on all of the relevant literature in relation to the topic under discussion would be made. The third chapter, deal with the research design, approaches use to go through with the data collection and analysis.

The fourth chapter presents the analysis and presentation of the data collected from different sources. The last chapter, chapter five, encompasses the conclusion and recommendation part. An attempt would be done to draw conclusion from the previous chapter's presentation and analysis. Based on that, recommendations would be forwarded to ease the already existing problem.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

Employee turnover is the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. This term is often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of the reason (Dwomoh & Korankye, 2012). Agnes (1999) defined employee turnover as a ratio expression of the number of employees a company must replace in a given time period to the average number of total employee. Price (1977) defines turnover as “the degree of individual movement across the membership boundaries of a social system” (p.4). When a group of employees is considered a social system, this definition would apply and includes accession and the hiring of new employees within an organization. Macy & Mirvis (1976) succinctly state that turnover is “any departure beyond organizational boundaries”.

Turnover occurs when employees leave an organization and have to be replaced. Many organizations have found that turnover is a costly problem. The extent to which employers faces high turnover rates and costs vary by organization and industry. For higher-level executives and professionals, turnover costs can run as much as two times the departing employees’ annual salaries, and rates often are linked to executive job expectations and needed skills changes. In many service industries, the turnover rates and costs are frequently very high. In the retail industry, turnover in some companies averages more than 100% a year for part-time workers and around 75% a year for full-time workers (Mathis, 2010). Turnover is affected by many environmental factors, most notably unemployment rates, so other variables must be considered when using these data for forecasting (Mahaparto, 2010).

The analysis of the numbers of people leaving the organization (labor turnover or wastage) provides data for use in supply forecasting, so that calculations can be made on the number of people lost who may have to be replaced. More importantly, however, the analysis of the numbers of leavers and the reasons why they leave provides information that would indicate whether any action is required to improve retention rates. It can prompt further investigations to establish underlying causes and identify remedies (Armstrong, 2006).

Perhaps the most critical employee withdrawal variable is employee turnover. An extremely costly variable, turnover can have devastating consequences on organizations when it is excessive. Redesign of employee benefits, addition of new benefits, and many supervisor and team leader programs are designed to reduce employee turnover. In many situations, turnover is actually converted to monetary values (Phillips, 2001).

The purpose of this chapter is to review the theoretical background on employees' turnover, its measures and empirical findings thereof. Hence, the chapter is arranged into two sections. The first section presents the theoretical review of employee turnover while the second section reviews the empirical evidence pertaining to the impact of employee turnover on firms' performance.

2.2. Theoretical Literature Review

2.2.1. Types of Turnover

Turnover is classified in a number of ways. One classification uses involuntary and voluntary categories, although the two types are not mutually exclusive (Mathis, 2011).

Involuntary Turnover

According to Mathis this occurs when employees are terminated for poor performance or work rule violations. Involuntary turnover is triggered at all levels by employers terminating workers due to organizational policies and work rule violations, excessive

absenteeism, performance standards that are not met by employees, and other issues (ibid).

Voluntary Turnover

Employees leave by choice. Voluntary turnover too can be caused by many factors, some of which are not employer controlled. Common voluntary turnover causes include job dissatisfaction, pay and benefits levels, supervision, geography, and personal/family reasons. Career opportunities in other firms, when employees receive unsolicited contacts, may lead to turnover for individuals, especially those in highly specialized jobs such as IT. Voluntary turnover may increase with the size of the organization, most likely because larger firms are less effective in preventing turnover and have more employees who are inclined to move (ibid).

Another view of turnover classifies it based on whether it is good (functional) or bad (dysfunctional) for the organization (ibid).

Functional Turnover

According to Mathis it occurs when Lower-performing or disruptive employees leave. Not all turnovers are negative for organizations; on the contrary, functional turnover represents a positive change. Some workforce losses are desirable, especially if those who leave are lower-performing, less reliable, and/or disruptive individuals (Mathis, 2011).

Dysfunctional Turnover

According to Mathis this occurs when Key individuals and high performers leave at critical times that happen when key individuals leave, often at crucial times. For example, a software project leader who leaves in the middle of a system upgrade in order to take a promotion at another firm could cause the system upgrade timeline to slip due to the difficulty of replacing the employee and could also lead other software specialists in the firm to seek out and accept jobs at competitive firms (Mathis, 2011).

Employees quit for many reasons, only some of which can be controlled by the organization, so another classification uses whether the turnover is controllable or uncontrollable (ibid). Turnover occurs for many different reasons. Sometimes new job

attracts employees and pull them to leave the old one. In contrary employee also pushed to leave job due to the dissatisfaction in their present workplace or by domestic circumstances when someone reallocates with their spouse or partner. A poor relationship with the management can be an important reason for the employees to leave their jobs (Campion 1991). It is relatively rare for people to leave jobs in which they are happy even offered by higher salary elsewhere. A lack of proper training and development is also major cause for voluntary turnover. Employees have a preference for security of their jobs (Carsten & Spector 1987).

Uncontrollable Turnover

This occurs when Employees leave for reasons outside the control of the employer. Some examples of reasons for turnover the employer cannot control include: (1) the employee moves out of the geographic area, (2) the employee decides to stay home with young children or an elder relative, (3) the employee's spouse is transferred, and (4) the employee is a student worker who graduates from college (Mathis, 2011).

Controllable Turnover

Employees leave for reasons that could be influenced by the employer. Even though some turnover is inevitable, employers recognize that reducing turnover saves money, and that they must address the turnover that is controllable. Organizations are better able to keep employees if they deal with the concerns of those employees that might lead to the control able turnover (ibid).

2.2.2. Causes of Staff Turnover

2.2.2.1 Employee Expectations

New employees have expectations but when these expectations are not met, they may start withdrawing from work using sick leave, family responsibility leave and all kinds of excuses (De Vos, Strydom, Fouche and Delport, 2007).

Employees expect that their performance would correlate with the rewards received from the organization. Employees set expectations about rewards and compensation to be received if certain levels of performance are achieved. These expectations

determine goals or levels of performance for the future. Employees achieving the desired levels of performance expect a certain level of compensation. If employees see that hard work and superior performance are recognized and rewarded by the organization they will expect such relationship to continue in the future. Therefore they will set higher levels of performance expecting higher levels of compensation. If employees see little relationship between performance and rewards, then they may set minimum goals in order to retain their jobs but will not see the need to excel (Birdi, Clegg, Patterson, Robinson, Stride, Wall and Wood, 2008).

2.2.2.2 Job – Person match

It is important for the person's abilities, personalities and skills to match the job requirements. If there is no match, the employees become bored by the job that provides no challenges or one that provides unrealistic challenges. These realities are the ones that make people leave the organization (Erasmus, Van Wyk and Schenk, 2003).

2.2.2.3 Availability of high labor demand

When the demand for labour in an industry is high, an opportunity for changing jobs in that industry becomes enhanced (Neo, et al., 2006). This assertion is supported by Harrison and Kessels (2004) who in their research on labor turnover in the retail industry found that environmental factors such as local labor markets had a major influence on labour turnover.

2.2.2.4 Employee behavior

There are factors specific to the individual that can influence turnover. These include both personal and trait-based factors. Robbins and Decenzo (2001) state that personal factors include issues such as changes in family situation, a desire to learn a new skill or trade or an unsolicited job offer. In addition to these personal factors, there are also trait-based or personality features that are associated with staff turnover. These traits include behaviors such as loafing, absenteeism, theft,

substance abuse on the job and sabotage of employer's equipment or production (Page, 2001:20).

2.2.2.5 Employee Recognition

Robbins (2003:102) states that individuals at all levels of the organization want to be recognized for their achievements on the job. Their successes do not have to be monumental before they deserve recognition, but the praise should be sincere. Steers (2002) states that one premise inherent in Herzberg's theory (1959) is that most individuals sincerely want to do a good job. To help them, they should be placed in positions that use their talents to an optimal level and where they are not set up for failure (Mathis and Jackson, 2007). Clear, achievable goals and standards for each position should be set and should be known to employees. Individuals should also receive regular, timely feedback on how they are doing and should feel they are being adequately challenged in their jobs. Individuals should not be overloaded with challenges that are too difficult or impossible (Tyani, 2001).

2.2.2.6 Job Ownership

According to Park (2003:43), employees will be more motivated to do their jobs well if they have ownership of their work. This requires giving employees enough freedom and power to carry out their tasks so that they feel they own the result.

As individuals mature in their jobs, the organization should provide them with opportunities for added responsibility.

2.2.2.7 Lack of Supervision

According to Booyens (2000), the essence of supervision lies in the evaluating the effectiveness of the organization, both vertically and horizontally, and ensuring that resources are used adequate and correct, errors are rectified, standards maintained and objectives attained. According to Robbins (2003), supervision should be a democratic process during which employees are given help and encouragement by supervisors. The supervisor must recognize the value of each member of the team and each one has a vital role in to play to achieve quality service delivery and creating high level of motivation among personnel.

2.2.2.8 Physical Environment

According to Hamermesh (2001), the physical environment includes physical structures in which employees work, such as buildings, offices and the lighting, ventilation, noise vibration temperature, humidity and air quality. To motivate the workforce, it is important to ensure a hazard free and safe environment which also enhances efficiency and productivity (Del Val, and Fuentes, 2003).

When the adverse effects of the physical work environment are not attended to by management, employees may lose interest in the work and might leave the organization.

2.2.2.9 Lack of Staff Training and Development

According to Booyens (2000), for an organization to be successful in providing service delivery it is essential for management to introduce, manage and evaluate programmes with the aim of developing personnel, their knowledge, skills, attitudes, their own personal growth and fulfilment. The planned development of the organization will promote staff development. Staff training and development includes a number of different educational undertakings, namely, induction training, orientation, in-service education, continuous training and career development. The reasons for career development in organizations are the following:

- The quality of employee's work life is improved when he/she has the opportunity to progress in his/her career.
- Employees are able to learn new skills with the result that there is always a demand for them.
- Career development of employees decreases an organization's employee turnover rate.
- The personal job satisfaction of the employees is enhanced when their abilities have been developed and when they are placed in positions that suit their ambitions and abilities.

2.2.2.10 Poor Employee Orientation

According to Booyens (2000), orientation is the personalized training of the individual employee so that he/she becomes acquainted with the requirements of the job itself. The aim of the orientation is to be effective and show productive work performance by the new employee. The orientation process aims at reducing anxiety, creating a positive attitude towards the employer and assist in creating realistic work expectations. Orientation process is normally the responsibility of the human resources department. All categories of new employees are subjected to the same programme which is conducted during the first few days of an employee's orientation programme (Habeck, et al., 2000). Park (2003) asserts that one of the sources of voluntary turnover is the poor orientation and socialization that is given to new employees. An orientation process helps new employees to formulate realistic, reasonable and accurate expectations of their new responsibilities and performance requirements. Page (2001) further asserts that an orientation process also facilitates the employee's social integration in the organization. If the orientation process is not properly conducted at the beginning of employment, it can lead to employee turnover intention and eventually to the employee leaving his/her work.

2.2.2.11 Work Content

According to Nel, et al. (2004), work content refers to the amount of work which is performed by the employee at any given time. Mouton (2001) states that quantitative overload involves having too much work to do in the time available and has been associated with stress related ailments such as coronary heart disease and finally staff turnover. Qualitative overload involves work that is too difficult (Page, 2001). In the context of voluntary staff turnover, when the employee relates the work load with pay and benefits which may be perceived to be lower than the amount of work performed, work overload may then incite staff turnover intention (George and Jones, 2002).

2.2.2.12 Social Relations

Ichniowski (2004) asserts that opportunities for social contacts are highly important elements of working conditions. Social contacts refers to the supporting functions that an employee gets from colleagues, managers or subordinates which can be a buffer between stress and health. Interpersonal relations refer to personal and working interactions between the employee and other people he/she works with. These include cooperation, teamwork and sharing of common goals. According to Mullins (2001), unhealthy social relationship between employees in the organization will lead to employee absenteeism and eventually to staff turnover. Hopkins (2005) contends that fulfilling social needs by managers in the work environment improves employee performance.

2.2.2.13 Poor Employee Assistance Programme (EAP)

According to Russell and Bvuma (2001), in every organization there are managers who manage the day to day running of the business. But do managers ever know the problems and grievances of the staff and the way they feel if they only talk to them or when they follow up on duties assigned to staff members?

The managers only see the employees whose performance is declining but sometimes they do not realize that the performance is affected by social problems or they do not care as long as the cause is not work related. If employees feel that the organization does not help them when they have social problems like financial assistance or counselling they may leave the organization (Erasmus, et al., 2003).

2.2.2.14 Lack of Staff Involvement

Erasmus, et al. (2003) state that lack of staff involvement may be one of the causes of staff turnover. If staff members are involved in any changes or decisions that directly affect employees, it is seldom that they will be against the changes and decisions. By not involving them and not including their inputs they feel betrayed. Normally when they are told about a change which might affect their jobs or the way they are

used to doing their work; without having been involved beforehand then they are likely to resist (Hopkins, 2005).

2.2.3. Factors Affecting Reduction of Staff Turnover and effective methods to reduce staff turnover

2.2.3.1 Reconciling Family and Work

The employer must try to reconcile employee's family needs with work needs. This may lead to the development of child care centre at the organization or institution, or the use of flexi time schedules. The establishment of an onsite sick child bay could also enhance work attendance. According to Jones (2006:34), there is evidence that the introduction of flexible staffing schedules (combination of 8 hour, 12 hour and 4 hours schedules) will reduce staff turnover, because employees can more easily arrange time off for personal and family commitment.

2.2.3.2 Management of Transport

Arranging transport for employees by coordinating work hours with public transport, or investing in organizational transport for employee, should reduce staff turnover (Neves, 2009).

2.2.3.3 Provision of Free Health Care

Parish, Cadwallader and Bush (2008) state that it is also important to control stress and to implement physical fitness programmes. The workplace is the prime location from which to promote health care and disease prevention. Free health care for employee may be another method to improving staff retention strategy because employees are sometimes unable to pay for a doctor's visit, or have to wait several days for a doctor's appointment.

2.2.3.4 Establishment of a Reward System

Parish, et al. (2008), believe that organizations should reward employee for long term service. These rewards may be in the form of posting names on bulletin

boards, announcing the names of employees in notices, or giving monetary reward, but such a system can be very expensive.

2.2.3.5 Personal Interest and Background

Employees with rural backgrounds are more likely to relocate to a rural location and remain there. According to Ivancevich and Matteson (2004), the employee's spouse is becoming an important determinant to the likelihood of them being retained in their positions since the contentment of these spouses in a rural setting is a huge factor that can make them stay in service.

2.2.3.6 Lack of Employee Life Balance

Management should provide employees with a way to balance the professional and personal aspects of their lives. Create a plan that creates fairness among all employees and departments. Build the plan around company needs and goals.

No employee wins if the new plan is disruptive to the productivity of the organization. Whenever possible, create several different flextime options and allow employees to choose the one that works the best for them (George and Jones, 2002). Bhengu (2007) distinguishes two main dimensions of a retention strategy, namely, extrinsic and intrinsic factors. Extrinsic factors include variables such as pay, promotion opportunities, co-workers, supervision and recognition. Intrinsic factors include personality, education, intelligence and abilities, age and marital status. It is important to match work life benefits to the needs of employees and failure may lead to staff turnover in the organization.

2.2.3.7 Provide Training

Training employees reinforces their sense of value. Through training, employers help employees achieve goals and ensure they have a solid understanding of their job requirements (Van Tiem, Moseley and Dessinger, 2003).

2.2.3.8 Mentoring Program

A mentoring program integrated with a goal-oriented feedback system provides a structured mechanism for developing strong relationships within an organization and is a solid foundation for employee retention and growth. With a mentoring program, an organization pairs someone more experienced in a discipline with someone less experienced in a similar area, with the goal to develop specific competencies, provide performance feedback and design an individualized career development plan (Zeil and Antoinette, 2003).

2.2.3.9 Feedback to Employees

It is important for companies to give feedback and coaching to employees so that their efforts stay aligned with the goals of the company and meet expectations. During an employee's first few weeks on the job, an employer should provide intensive feedback. Employers should also provide formal and informal feedback to employees throughout the year (Nel, 2004). According to Johns and Saks (2007), today's workplace requires that criticism must come with support and a sense that the company is there to assist the employee in achieving and attaining success. Proved time and again, even the most average employees are likely to raise their quality standards if they are encouraged through constructive, open reviews. Management should always recognize successes and never berate an employee who works hard but whose work lacks company standards. In fact, these individuals are often the most open to suggestions of improvement and are ready to be molded into the most ideal of employees (Johns and Saks, 2007).

2.2.3.10 Instill a Positive Culture

A company should establish a series of values as the basis for culture such as honesty, excellence, attitude, respect, and teamwork. A company that creates the right culture will have an advantage when it comes to attracting and keeping good employees (Martin, 2003).

2.2.3.11 Encourage Referrals and Recruit from within the Organization

Having current employees offer referrals could help minimize confusion of job expectations. Current employees can realistically describe a position and the environment to the individual he/she is referring. Another way an employer can lessen the impact of staff turnover is to hire from within, since current employees have already discovered that they are a good fit in the organization (Del Val and Fuentes, 2003:155).

2.2.3.12 Make Employees Feel Valued

According to Carrel,(2000:356), employees will go the extra mile if they feel responsible for the results of their work, have a sense of worth in their jobs, believe their jobs make good use of their skills and receive recognition for their contributions. Employees should be rewarded at a high level to motivate even higher performance. The use of cash payouts could be used for on-the-spot recognition. These rewards have terrific motivational power, especially when given as soon as possible after the achievement. It is important for employers to say thank you to employees for their efforts and find different ways to recognize them. Even something as simple as a free lunch can go a long way towards making employees feel valued. Listen to employees and ask for their input as to what rewards might work best to the organization. Conduct meetings and surveys to enable employees to share their input. Most team members will work harder to carry out a decision that they have helped to influence (Hopkins, 2005:74).

2.2.3.12 Foster Trust and Confidence in Senior Leaders

Develop strong relationships with employees from the start to build trust. Employees have to believe that upper management is competent and that the organization will be successful (Allen, 2007). An employer has to be able to inspire this confidence and make decisions that reinforce it. An employer cannot say one thing and do another. For example, an employer should not talk about quality and then push employees to do more work in less time. In addition, employers need to

engage and inspire employees by enacting policies that show they trust them, such as getting rid of authoritarian style of management (Brief, 2008).

2.2.4. Managing Staff Turnover

According to Gardner (2009), Neo, et al. (2006), Cabrera and Cabrera (2005) and Erasmus, Loedolff, Mda and Nel (2006), businesses can improve their ability to attract, retain and improve productivity by applying the following five-step in managing staff turnover:

P - Provide a positive working environment;

R - Recognize, reward and reinforce the right behavior;

I - Involve and engage;

D - Develop skills and potential; and

E - Evaluate and measure.

STEP 1 Provide a Positive Working Environment

Introduction of progressive work environment and host of family-friendly benefits keeps their turnover rate far below the national average. Neo, et al. (2006) state that one of the main reasons employees quit is the relationship with their first-line supervisor. The fact is many supervisors and managers are unaware of how their actions and decisions affect employee turnover. Managers need the skills, tools and knowledge to help them understand their employees' needs and be able to implement a retention plan designed to increase employee engagement in the organization (Gardner, 2009).

STEP 2 Recognize, Reward and Reinforce the Right Behavior

Money and benefits may attract people to the front door, but something else has to keep them from leaving the organization. People have a basic human need to feel appreciated and proud of their work. Recognition and incentive programs help to meet those needs. A successful reward and recognition program does not have to be complicated or expensive to be effective. This builds a stronger team, unity, and improves communication within the company (Gardner, 2009).

Creative non-monetary reward and recognition programs can be powerful tools. Increasingly, companies are using informal methods for rewarding staff while

financial compensation is becoming less of a norm for recognizing employee accomplishments. The most important part of any informal reward and recognition system is that it is linked to organizational values and that it is given personally from management (Erasmus, et al., 2006).

According to Erasmus, et al. (2006), reward systems that are person-based are proving to be effective especially when recognition is linked to personal desires or needs such as:

- Time off;
- Flexible work hours;
- Job-sharing;
- Office space; and
- Home office.

Offering things like competitive salaries, profit sharing, bonus programs, pension and health plans, paid time off, and tuition reimbursement sends a powerful message to employees about their importance at the organization. The rewards given to employees must be meaningful in order to attract their perception of the organization and therefore have a marked influence on its retention efforts. Moreover, if an organization promises a reward, it should keep that promise (Allen, et al., 2007).

STEP 3 Involve and Engage

Gardner (2009) states people may show up for work, but are they engaged and productive? People are more committed and engaged when they can contribute their ideas and suggestions. This gives them a sense of ownership.

The Sony Corporation is known for its ability to create and manufacture new and innovative products. In order to foster the exchange of ideas within departments, they sponsor an annual Idea Exposition. During the exposition, scientists and engineers display projects and ideas they are working on (Erasmus, et al., 2003).

STEP 4 Develop Skills and Potential

For most people, career opportunities are just as important as the money they make. In a study by Nel, et al. (2004), more than 40 percent of the respondents said they would consider leaving their present employer for another job with the same benefits if that job provided better career development and greater challenges.

According to Cabrera and Cabrera (2005), Deloitte is listed as one of the Top 100 Best Places to Work. In their study they discovered several years ago that they were losing talented people to other companies. They conducted exit surveys and found 70 percent of those employees who left to take new jobs and careers outside the company, could have found the same jobs and careers within Deloitte. As a result they created career connections, an intranet-based development and career coaching program for all employees of Deloitte (Cabrera and Cabrera, 2005). Gardner (2009) states that skilled people will not remain in a job if they see no future in their position. To eliminate the feeling of being in a dead-end job, every position should have an individual development plan.

STEP 5 Evaluate and Measure

Continuous evaluation and never-ending improvement is the final step of the PRIDE system. The primary purpose of evaluation is to measure progress and determine what satisfies and dissatisfies organizational workforce. The evaluation process includes the measurement of attitudes, morale, turnover and the engagement level of the workforce (Gardner, 2009).

2.2.5. Deployed motivation program

Nel, et al. (2004) define motivation “as the force that makes us do things; this is a result of our individual needs being satisfied (or met) so that one has inspiration to complete the task”. Bittel and Newstrom (2002), state that these needs vary from person to person as everybody has their individual needs to motivate themselves. They may further determine the effort they put in to their work and therefore increase the standard of output.

Harrison and Kessels (2004) state that a motivated person is always aware of the fact that a specific goal must be achieved and continuously direct his/her efforts at achieving that goal, even in the face of adversity. According to Herzberg, et al. (2002), the quality of work and the output of a motivated person are very good. But if employees work only for the sake of money and not having the love of the organization at heart, then the quality of work is often compromised.

According to Nel, et al. (2004), to safeguard this relationship of performance and motivation which benefits the organization and the employees. Thus, the organization must provide the following (Nel, et al., 2004):

- Accurate evaluation: Management must develop a system of accurate performance appraisal in order to identify those employees who are outstanding, average and poor performers.
- Performance rewards: Management should identify which rewards relate to performance levels and tell employees that pay, increased benefits, change in hours or working condition or recognition will be directly related to high performance.
- Supervisor's feedback: Supervisor must give complete and accurate feedback to employees when appraising their performances. Employees must be told what they are doing well and which performance area needs improvement.

2.2.6. Understanding Employee Reasons for Leaving

Luthans (2002) state that it is unrealistic to think that good people can be trapped. So, when people do leave it is important to know why and adjust hiring profiles, policies and practices within the company to address the concerns. A structured exit interview program can play an integral role in employee retention. It is worthy to note that it is important to learn from the information gleaned in these interviews. By not paying attention to the results, staff turnover will continue for the same reasons. Human resource managers are an objective resource encourages employees to act more openly and honestly with their answers. It also assists in the collation, reporting and analysis of interview results more efficiently

than manual efforts (Hope, 2003). The information collated from these interviews is excellent for developing and adjusting job profiles and refining the position for the next candidate further improving the chances of retention. As managers create company's exit interview questionnaire, it is important to strike the right balance between the need for information and survey length.

According to Booth and Hamer (2007), there are five key guidelines that should be kept in mind to ensure that the end result is useful in an effective survey:

- Do not focus solely on the employee's reasons for leaving but also on the employee's attitudes and experiences that identify the issues and concerns which may not surface when asking about reasons for leaving.
- Ensure that there is more than one way for employees to express their reasons for leaving including several open-ended questions for them to include their own comments to get a full perspective on their decision to leave.
- Incorporate key behavioral measures such as the employee's satisfaction with the job itself, how well the employee's job responsibilities were defined, perceived opportunities for advancement and the employee's perspective on the amount of training, feedback and recognition received.
- Recognize that exit interview practices need to be implemented consistently and in such a way that encourage employees to share their opinions honestly.
- Incorporate the ability to examine results not only on the basis of individual results but for the organization as a whole (Booth and Hamer, 2007).

Implementing regular employee surveys allow employers to take the perception of employees and gauge a company's culture and mood. The results will allow organizational leaders to anticipate issues in advance of staff turnover intentions.

2.2.7. Measurement of Turnover

There are a number of ways of measuring labor turnover, as described below (Armstrong, 2006).

The **labor turnover index** (sometimes referred to as the employee or labor wastage index) is the traditional formula for measuring wastage. It is calculated as follows (Armstrong, 2006):

$$\frac{\text{Number of Leavers in a Specified Period (usually one year)} \times 100}{\text{Average Number of Employees During the Same Period}}$$

This method is commonly used because it is easy to calculate and to understand. This wastage formula may be simple to use but it can be misleading. The main objection to the measurement of turnover in terms of the proportion of those who leave in a given period is that the figure maybe inflated by the high turnover of a relatively small proportion of the workforce, especially in times of heavy recruitment. The turnover index is also suspect if the average number of employees upon which the percentage is based is unrepresentative of recent trends because of considerable increases or decreases during the period in the numbers employed. When assembling and analyzing labor turnover figures, it is important to obtain information on the incidence for different categories of employee, especially those who are most difficult to attract and retain, such as knowledge or highly skilled workers (Armstrong, 2006).

Survival rate is a method of analyzing turnover that is particularly useful for human resource planners. It is the proportion of employees engaged within a certain period who remain with the organization after so many months or years of service (Armstrong, 2006).

Half-life index is simpler concept derived from survival rate analysis, which is defined as the time taken for a group or cohort of starters to reduce to half its original size through wastage. Comparisons can then be made for successive entry years or between different groups of employees, in order to show where action may have to be taken to counter undesirable wastage trends (Armstrong, 2006).

The **stability index** is considered by many to be an improvement on the turnover index. The formula is (Armstrong, 2006):

$$\frac{\text{Number with 1 Year's Service or More}}{\text{Number Employed 1 Year Ago}} \times 100$$

This index provides an indication of the tendency for longer service employees to remain with the company, and therefore shows the degree to which there is continuity of employment. But this too can be misleading because the index will not reveal the vastly different situations that exist in a company or department with a high proportion of long serving employees, in comparison with one where the majority of employees are short service (Armstrong, 2006).

Length of service analysis is analysis of the average length of service of people who leave and can be used to partly overcome the disadvantage of the stability index. This analysis is still fairly crude, because it deals only with those who leave. A more refined analysis would compare for each service category the numbers leaving with the numbers employed (Armstrong, 2006).

Choice of measurement: It is difficult to avoid using the conventional employee (labor) turnover index as the easiest and most familiar of all methods of measurement, but it needs to be supplemented with some measure of stability. An analysis of turnover or wastage as part of human resource planning exercise requires detailed information on the length of service of leavers, to identify problem areas and to provide a foundation for supply forecasts (Armstrong, 2006).

A high turnover rate is contradictory to high performance because it shows that one of the core conditions of high performance –i.e. a high committed workforce-is not met. Additionally, high commitment HRM requires long periods of training and socialization. Consequently, it will take more times before the break-even point between investment in human capital and the returns to these investments is reached. Therefore, in context of high commitment HRM the costs of labor turnover will be relatively high. Minimizing the Impacts of Turnover (Arie C. Glebbeek & Erik H. Bax 2002)

Retention of employees as human resources is part of HR staffing and planning efforts. Turnover, as the opposite of retention, often has been seen as a routine HR

matter requiring records and reports. However, what was once a bothersome detail has become a substantial HR issue for many employers. Thus, organizations are being forced to study why employees leave and why they stay. Sometimes an individual in the HR area is assigned to specifically focus on retention to ensure that it receives high priority (Mathis & Jackson, 2011).

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

A survey of executives has shown that the most common factors that caused satisfactory employees to quit their jobs were unhappiness with management, limited career advancements and recognition, insufficient pay and benefits, and job boredom. This survey also illustrated that many of the factors involved in retention drivers are organizational and management factors within the employer's control (Mathis & Jackson, 2011).

Retention matters because turnover can cause poor performance in otherwise productive units. To ensure that appropriate actions are taken to enhance retention, management decisions require data and analyses rather than subjective impressions, anecdotes of selected individual situations, or panic reactions to the loss of key people (Mathis & Jackson, 2011).

The analysis of turnover data is an attempt to get at the cause of retention problems. Analysis should recognize that turnover is a symptom of other factors that may be causing problems. When the causes are treated, the symptom scans go away. Some of the first areas to consider when analyzing data for retention include the work, pay/benefits, supervision, and management systems. Common methods of obtaining

useful perspectives are employee surveys, exit interviews, and first-year turnover evaluations (Mathis & Jackson, 2011).

Retention strategies should be based on an understanding of the factors that affect the employees. For early career employees (30 years and under) career advancement is significant. For mid-career employees (age 31–50) the ability to manage their careers and satisfaction from their work are important. Late career employees (over 50) will be interested in security. It is also the case that a younger workforce will change jobs and employers more often than an older workforce, and workforces with a lot of part-timers are less stable than those with predominately full-time staff (Armstrong, 2006).

The specific factors that affect retention are: company image; recruitment, selection and deployment; leadership – ‘employees join companies and leave managers’; learning opportunities; and performance recognition and rewards (Armstrong, 2006).

2.3. Empirical Literature Review

Micah (2014) studied determinants of Employee turnover in Kerio Valley Development Authority in Kenya using the stratified sampling and 120 respondents participated.

From the study findings, poor compensation structures, lack of Human Resource Career Development Policies and low job satisfaction were the key factors that contributed to employee turnover at Kerio Valley Development Authority. The study therefore, recommends that the organization needs to review its compensation structure, formulate and implement Human Resource Career Development Policies and put strategies in place to enhance employee job satisfaction. The study suggests further studies should be carried out in other institutions in the public service in Kenya to ascertain whether similar findings are obtainable of turnover.

Butali *et al* (2013) studied effect of staff turnover on performance of work in Masinde Muliro University of Science and Technology using a randomly selected sample of 25 departments where a total of 152 respondents participated. The study established that economically, staff turnover increases work for the remaining staff, leads to customer dissatisfaction, brings about decreased income due to reduced productivity, and leads

to increased liability to the practice. Socially, staff turnover lowers staff morale and creates gaps in the social groupings. The study further recommended that MUST should improve on mechanisms of getting feedback from its staff members regarding problems that are likely to cause staff turnover.

Shukla & Sinha (2013) looked at extent of influence of various factors on employee turnover in urban and semi urban banks in a study based on the responses of the employees of leading banks. They used a total sample size of 44, out of which 22 samples have been collected from employees working in bank from more than two years and 22 from those who were working here from less than two years. They analyzed the data analysis is carried out by calculating mean, standard deviation and linear correlation. The difference between means of variable was estimated by using t-test. And the study found that the factors that significantly influenced employee turnover in banking sector are work environment, job stress, compensation (salary), employee relationship with management, and career growth. The study also reveals that no real mean difference exists as between the new employees and old employee's responses towards turnover factor.

Dwomoh & Korankye (2012) examined the impact of labor turnover on performance of Banks in Ghana by analyzing both primary and secondary data. They employed convenience Sampling and the study concluded that there is a positive relationship between labor turnover and performance of Banks in Ghana in terms of customer complains. The analysis through the coefficient of determination calculated indicated that its contribution to performance of Banks in Ghana in terms of customer complains is 55.8% whilst other factors contribute to 44.2%. The Chi Square Statistic (χ^2) calculated 71.074 made the study to conclude that customer complaint is dependent on labor turnover in Banks in Ghana. It was also shown that labor turnover plays a significant role in terms of quality of services rendered to customers especially in the shorter.

Abbasi et al (2000) employee are seen as major contributors to organization competitive and as such for the competitive advantage to be maintained, labor turn

over should be discouraged by management. Whilst their literature points to the fact that labor turnover can have a negative impact on organization s performance, it is not every one who will abide by that idea and as such part of the literature will examine what causes employee turnover and the impact it has on organization.

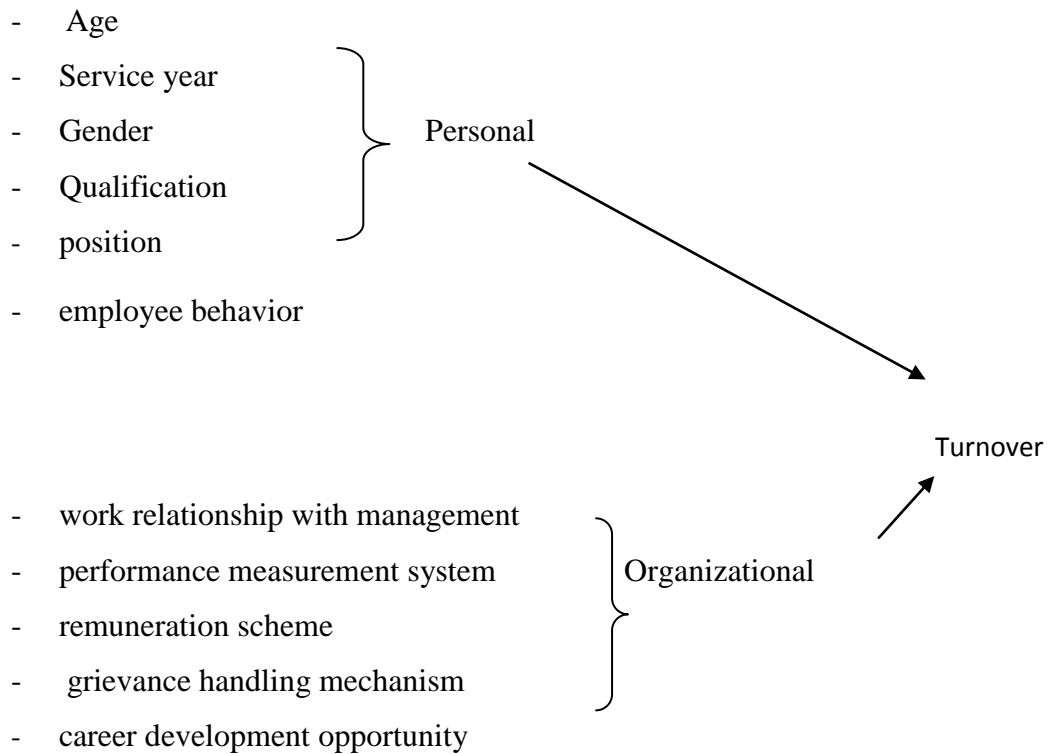
Muhammad (2014) studied determinants of employee intention to leave in Pakistan using descriptive research study. In order to collect the data for understanding the situation about intention to leave a sample of 180 respondents were asked to participate in a self-administered questionnaire out of which 160 were returned. The study concludes that Intention to leave or quit is greatly affected by lack of commitment to the organization, stress and job-satisfaction.

2.4. Conceptual framework of the study

The following conceptual framework would be developed from reviewing different literature and articles.

Independent variable

Dependent variable



Source: own Letrecher review

CHAPTER THREE

RESEARCH DESIGN AND METHDOLOGY

Introduction

This chapter deals with methodology part of the study whereby research approach and method, the source of data, the population of the study, sampling technique and sample size, method of data collection, method of data analysis and research ethics are discussed.

3.1 Research Design

Since, the main objective of this research is investigating the reasons behind employee turnover on CBE under WAAD, and the researcher should deploy quantitative research design. Quantitative design should be used to measure the frequency of various views to achieve the objective of the study. The purpose of using this approach was to evaluate objective data consisting of numbers with the aim of achieving high levels of reliability in terms of data analysis. In line with the quantitative approach decided upon, a structured questionnaire was also administered to all the target respondents.

Quantitative methods include reviewing a substantial amount of literature in order to provide direction for the research questions. Quantitative research is based on attempts to apply the methods to facilitate data analysis. Its strength is that it provides data that are easily quantifiable and based on reasonably objective evidence that lends itself to rigorous analysis. Moreover, results can be reduced to numerical statistics and interpreted in short statements.

3.2. Population of the Study, Sampling Method and Sample size

3.2.1. Population of the Study

Under WAAD there are different branches and have their own grade depending on their performance – grade four, grade three, grade two and grade one. Do to their convenience, time constraint and budget constraint the researcher should concentrate on the first three grades. The researcher selected fifteen (15) branches based on their grade level. The total population of the study is estimated to be 592 working in selected 15 branches.

3.2.2. Sampling Method

For the purpose of this study both simple random and stratified sampling methods should be deploy. The researcher stratified branches based on their grade level, and each employee at each branch selected randomly. Simple random sampling preferred as it gives equal chance for the representatives of the population. Furthermore, the respondents are similar in characteristics and there is homogeneity among the respondents. For ex-employees of the organization the researcher purposively selects 40 employees who are resigned from CBE under WAAD.

3.2.3. Sample size

Among the different methods of the sample size determination, the one which developed by Carvalh (1984) should be used by the researcher to determine the number respondents to be included in the study for employees. Accordingly, to have a good representative the researcher used high sample size.

Note: the researcher selected 125 respondents based on the sample determination table.

Table 3.1 Carvalo sample size determination

Population	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-45000	200	500	800

Source: Carvalo 1984

3.3. Data Sources and Instrumentation

3.3.1 Data Sources

This study should be based on both primary and secondary sources of data. A structured questionnaire for the employee was prepared for data collection. The questionnaires were distributed to the employee by the researcher at the various branch offices. A structured interview was also used to collect data from HR of WAAD. In addition to this the researcher analyzed the organization annual report for the last five years.

3.3. Data Collection Instrument

For this study, the researcher should collect data using both a structured close ended pre coded questionnaire for CSO and an interview for HRD of WAAD. A structured question format allows for the use of closed questions that require the respondent to choose from a predetermined set of responses or scale points. Questionnaires are data collection instruments that enable the researcher to pose questions to subjects in his/her search for answers to the research questions. The questionnaire (Annexure) was structured in a 5 point Likert scale (the traditional business research agreement scale) format. The 5 point Likert scale was used because it facilitates robust statistical analysis. Questionnaires have advantages over some other types of surveys because they are cheap, do not require as much effort from the researcher as verbal or telephone surveys, and often have standardized answers that make it simple to compile the questions. Moreover, questionnaire permits a respondent a sufficient amount of time to consider answers before responding.

3.4. Data Collection Procedure

Upon receipt of an official support letter from Saint Mary's University, the researcher presents to employees who are working for the selected branches of Commercial Bank of Ethiopia in West Addis Ababa district. Subsequent appointments were secured with the concerned authorities to get permission to administer the questionnaire to selected employees. Once approval from the authorities is obtained, the researcher distributed the questionnaire with a covering letter to the respondent staff and collected the filled out questionnaire after 10 – 15 days.

3.5. Analysis of data

Once the data has been collected and organized, the data analysis should be done using current and available SPSS version 20 software package. First summary of demographic factors should be presented in tables. Then the analyses of the responses related to factors of staff turnover on organization shall be presented. The results are presented in the form of tables. Descriptive statistical tools like frequency, mean value, and percentage would be used to analyze data.

3.6 Ethical considerations

Ethical considerations identified in connection with this study included the need to provide information about the purpose and confidentiality of the data collected, the protection of the anonymity of the respondent and their free participation, including the right to withdraw their consent to participate. The completed questionnaire would never share by me anybody within or outside the organization. Confidentiality and anonymity is reinforcing by the fact that the results are always presented – whether in these thesis or when discussing them with anybody in a collective manner.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS

The main objective of this study was to investigate the determinant factors of employee turnover in Commercial Bank of Ethiopia under WAAD. To attain this objective, both the primary and secondary data were gathered. The primary data were collected through interview conducted with HRD and data collected from employees of CBE working in 15 Branch offices. The secondary data were collected from review of yearly report of the organization. Due to different reasons from total of 125 questionnaires only 110 questionnaires were responded.

4.1 Demographic characteristics of respondents

Table, below shows the general characteristics of the respondent's of current position, age, gender, qualification and service year in the organization. The data collected from the employees was analyzed as follows.

Table 4.1.1 Demographic characteristics of respondents

		Current employees		Ex-employees	
		Frequency	Percent	Frequency	Percent
Position	CSO/maker	54	49.0	22	55.00
	CSO/checker	39	35.5	17	42.5
	CSO/accounts	11	10.0	1	2.5
	CSO/auditor	6	5.5	0	0
	CSO/cashier	0	0	0	0
	Total	110	100.0	40	100.0
Age	18-25	79	71.8	30	75.0
	26-35	25	22.7	10	25.0
	36-45	6	5.5	0	0
	Total	110	100.0	40	100.0
Gender	Male	77	70.0	27	67.5
	Female	33	30.0	13	32.5
	Total	110	100.0	40	100
Qualification	Diploma	2	1.8	0	0
	Degree	103	93.6	40	100.0
	Masters	5	4.5	0	0
	Total	110	100.0	40	100.0
Service Year	1-5	95	86.4	38	95.0
	6-10	15	13.6	2	5.0
	Total	110	100.0	40	100.0

Source: own questionnaire

As shown in the above table, 54(49%) of current employees are CSO/maker, 39(35.5%) of respondents are CSO/checker, 11(10%) of respondents are CSO

accounts, and 6(5.5%) of respondents are CSO/auditor. This indicates that majority of respondents are CSO/maker and CSO/checker which are very important positions in the service providing process. For ex-employees of CBE majority of them are CSO/maker and CSO/checker. This is because of that large proportion of the bank employee position was CSO/maker and CSO/checker.

As shown in table 4.1.1, 79(71.8%) of current employees are between 18-25 years, 25(22.7%) of respondents are between 26-35 years, and 6(5.5%) respondents are between 36-45 years. For ex-employees of 30(75.0%) are between 18-25 and 10(25.0%) are between 26-35 years. For ex-employees of CBE the majority of them are between 18-25 years. The data shows majority of the respondents are young and younger employees are more likely resign than older employees.

As shown in table 4.1.1, for ex-employees 27(67.5%) of them are male and 13(32.5%) of the respondents are female. For current employees 77(70%) of respondents are male and 33(30%) of the respondents are female. This implies that majority of the respondents are male. Hence there is high probability of turnover.

As shown in the above table 4.1.1, for ex-employee of the respondents all of them are degree holders. For current employees 2(1.8%) of respondents are diploma graduates, 103(93.6%) of respondents are degree graduates and 5(4.5%) of respondents are masters graduates. This implies that majority of the respondents are degree holders, and hence high probability of turnover. From this it is possible to generalize that degree holders are exposed to high turnover.

As shown in the above table 4.1.1, 38(95.0%) of ex-employees are served between 1-5 years and 2(5.0%) of respondents are served between 6-10 years. 95(86.4%) of current employee respondents are served between 1-5 years, 15(13.6%) of respondents are served from 6-10 years. This implies that majority of the respondents are served between 1-5 years. From this it is possible to generalize that there is high probability of turnover on employees that served between 1-5 years in order to search better job position and better salary.

4.2. Magnitude of turnover at CBE under WAAD

The following table clearly shows the trend of turnover faced in the organization in the last five years.

Table 4.2.1 magnitude of turnover in CBE under WAAD

Year	Number of employees joined	Number of employees resigned	Total number of employees
2012	170	34	929
2013	193	51	1053
2014	370	41	1382
2015	373	76	1679
2016	317	203	1793

Source: HRM profile 2016

Note: the data given in 2016 is only the first three quarters.

Based on the above table, the employee turnover rate of CBE under WAAD during the last five years is calculated as follows. The commonly used formula to calculate turnover rate for any given period is described below by Armstrong as follows.

The number leaving over a period as a percentage of the average number employed over the period. The most common method – easy to calculate and understand, and can be used readily for benchmarking (comparing rates of turnover with other

organizations). But it can be misleading – the percentage may be inflated by the high turnover of a relatively small proportion of the workforce, especially in times of heavy recruitment.

(Number of leavers/average number of employees)*100 = turnover rate

- a. Turnover rate in 2012= $34/844 = 4.03\%$
- b. Turnover rate in 2013= $51/1006.5 = 5.06\%$
- c. Turnover rate in 2014= $41/1197 = 3.4\%$
- d. Turnover rate in 2015= $76/1492.5 = 5.09\%$
- e. Turnover rate in 2016= $203/1634.5 = 12.42\%$

Note: Average number of employee = beginning number of employees+ ending number of employees divided by two.

As we can see from the above calculation during the year 2012 to 2013 turnover rate was increased from 4.03% to 5.06%. During the year 2014 turnover rate was decreased to 3.4%. This is due to the large number of employees hired in that year. During the year 2015 and 2016 turnover rate of the District increases double from 5.09% to 12.42%.

From the above data it is possible to conclude that there is high rate of employee turnover rate in the district and it affects the bank image and productivity.

4.3. Analyses of data pertinent to the study

The next section discusses with the analysis and interpretation of data that obtained from the existing and ex-employees of CBE under WAAD district. It also discusses the data gathered through interview with the human resource manager of WAAD.

For simplicity strongly agree and agree were merged together and strongly agree and strongly disagree were merged together to test the mean value of the output.

Table 4.3.1 category of mean value

Response	Mean value
Agree	1.00-2.50
Neutral	2.51-3.00
Disagree	3.01-5.00

Source: own survey

Table 4.3.2 Current employee response about their job

Item	Measurement		Level of agreement					Mean value
			SA	A	N	D	SD	
1.	The job I perform is monotonous.	Frequency	53	36	13	7	1	1.79
		Percentage	48.2	32.7	11.8	6.4	0.9	
2.	I was motivated to join CBE for gaining experience.	Frequency	39	50	7	10	4	2.00
		Percentage	35.5	45.5	6.4	9.1	3.6	
3.	My job is stressful.	Frequency	50	40	8	6	6	1.89
		Percentage	45.5	36.4	7.3	5.5	5.5	
4.	I am satisfied with the sense of achievement I get from my work.	Frequency	8	20	14	32	36	3.62
		Percentage	7.3	18.2	12.7	29.1	32.7	
5.	I feel that what I contribute is less.	Frequency	4	16	13	31	46	3.90
		Percentage	3.6	14.5	11.8	28.2	41.8	
6.	I believe that the work activity is disrupted when employees leave.	Frequency	16	53	17	17	7	2.50
		Percentage	14.5	48.2	15.5	15.5	6.4	
7.	The work skills currently I have do match with the skills I need to do my job.	Frequency	16	64	24	6	0	2.18
		Percentage	14.5	58.2	21.8	5.5	0	
8.	There are many customer complaints when the existing employee leaves.	Frequency	51	32	9	14	4	1.98
		Percentage	46.4	29.1	8.2	12.7	3.6	
9.	My supervisor has arranged me flexible working condition.	Frequency	7	14	18	45	26	3.63
		Percentage	6.4	12.7	16.4	40.9	23.6	

Source: own questionnaire

Note: SD = strongly agree, A= agree, N = neutral, D = disagree, and SD =strongly disagree

As shown in the above table 4.3.1, in item 1 53(48.2%) strongly agree, 36(32.7) agree, 13(11.8%) neutral, 7(6.4%) disagree and 1(0.9%) strongly disagree respectively. Majority of the employees are strongly agreed that the job of the organization is monotonous. The mean value is 1.79, which is close to agree. Therefore is possible to generalize that the job of the organization is monotonous which leads to boredom.

As shown in the above table 4.3.1, item 2 39(35.5%) strongly agree, 50(45.5%) agree, 7(6.4%) neutral, 10(9.1%) disagree, and 4(3.6%) strongly disagree respectively. Majority of the respondents agree that they join CBE to gain experience. The mean value is 2.00 which is close to agree. Therefore, it is possible to generalize that most of employee are join CBE for gaining of experience.

As shown in the above table 4.3.1, item 3 50(45.5%) strongly agree, 40(36.4) agree, 8(7.3%) neutral, 6(5.5) disagree, and 6(5.5%) strongly disagree respectively. Majority of the respondents strongly agree that the job is stressful. The mean value is 1.89 which is close to agree. It is possible to conclude that the job of the organization is stressful which forced them to resign the organization.

As shown in the above table 4.3.1, item 4 8(7.3%) strongly agree, 20(18.2%) agree, 14(12.7%) neutral, 32(29.1%) disagree, and 36(32.7%) strongly disagree respectively. The majority of the respondents strongly disagree in the sense of the achievement they get from their work. The mean value is 3.62 which is close to strongly disagree.

As shown in the above table 4.3.1, item 5 4(3.6%) strongly agree, 16(14.5%) agree, 13(11.8%) neutral, 31(28.2%) disagree and, 46 (41.8%) strongly disagree respectively. Majority of the respondents strongly disagree in the sense they contribute less. The mean value is 3.9 which is close to disagree.

As shown in the above table 4.3.1, item 6 16(14.5%) strongly agree, 53(48.2%) agree, 17(15.5%) neutral, 17(15.5%) disagree, and 7(6.4%) strongly disagree respectively.

Majority of the respondents agree on this aspect. The mean value of the output is 2.50 which is close to agree. Hence, it is possible to conclude that the work activity disrupt when employee leave.

As shown in the above table 4.3.1, item 7 16(14.5%) strongly agree, 64(58.2%) agree, 24(21.8%) neutral and, 6(5.5%) disagree on this aspect.

As shown in the above table 4.3.1, item 8 51(46.4%) strongly agree, 32(29.1%) agree, 9(8.2%) neutral, 14(12.7%) disagree, and 4(3.6%). Majority of the respondents strongly agree on this aspect. The mean value of the output is 1.98 which is close to agree. Therefore, it is possible to generalize that there is customer complaint when the existing employee leaves.

As shown in the above table 4.3.1, item 9 7(6.4%) strongly disagree, 14(12.7%) agree, 18(16.4%) neutral, 45(40.9%) disagree, 26(23.6%) strongly disagree. Majority of the respondents disagree on this aspect. The mean value of the output is 3.63 which is close to disagree. Hence, it is possible to generalize that employees supervisor is not arrange flexible working condition.

Table 4.3.3 current employee's response about remuneration scheme

Item	Measurement	Level of agreement						Mean Value
			SA	A	N	D	SD	
1.	I am satisfied with remuneration scheme of the organization.	Frequency	4	7	9	19	71	4.31
		Percentage	3.6	8.2	6.4	17.3	64.5	
2.	Incentive is made based on performance.	Frequency	8	13	20	38	31	3.65
		Percentage	7.3	11.8	18.2	34.5	28.2	

Source: own questionnaire

As shown in the above table 4.3.3, in item no-1 4(3.6%) strongly agree, 7(8.2%) agree, 9(6.4%) neutral, 19(17.3%) disagree and 71(64.5%) strongly disagree respectively. The majority of the respondents strongly disagreed to the remuneration scheme of the bank. The mean value of the output was 4.31 and it is close to disagree. Hence, it is possible to generalize that employees are not satisfied with the remuneration scheme of the bank.

Item no-2 of the above table 4.3.3, 8(7.3%) strongly agree, 13(11.8%) agree, 20(18.2%) neutral, 38(34.5%) disagree, and 31(28.2%) strongly disagree on the incentive system of the bank. Majority of the respondents disagree on the incentive method of the bank. The mean value of the output was 3.65 which is close to disagree. Therefore, it is possible to generalize that the incentive system of the bank is not based on performance.

Table 4.3.4 current employee's response about management and employee relation

Item	Measurement	Level of agreement						Mean Value
			SA	A	N	D	SD	
1.	Management seeks the view of employee representative	Frequency	8	32	13	49	8	3.15
		Percentage	7.3	29.1	11.8	44.5	7.3	
2.	The organization higher officials allowed you to participate in decision making process	Frequency	6	15	11	47	31	3.75
		Percentage	5.5	13.6	10.0	42.7	28.2	
3.	Disciplinary procedures are properly laid down	Frequency	16	54	11	29	0	2.48
		Percentage	14.5	49.1	10	26.4	0	
4.	Grievance handling mechanisms are good	Frequency	12	46	18	18	16	2.49
		Percentage	10.9	41.8	16.4	16.4	14.5	
5.	There is strong relationship between management and employees	Frequency	8	18	13	44	27	3.58
		Percentage	7.3	16.4	11.8	40.0	24.5	

Source: own questionnaire

As shown in the above table 4.3.4, item no-1 8(7.3%) strongly agree, 32(29.1%) agree 13(11.8%) neutral, 49(44.5%) disagree, and 8(7.3%) strongly disagree respectively. Majority of the respondents disagree that the management seek the view of employee representative. The mean value of the output was 3.15 which is close to disagree.

As shown in the above table 4.10, item no-2 6(5.5%) strongly agree, 15(13.6%) agree, 11(10%) neutral, 47(42.7%) disagree, and 31(28.2%) strongly disagree respectively. Majority of the respondents disagree on this aspect. The mean value of the output is 3.75 which is close to disagree. Therefore, it is possible to generalize that the organization higher officials doesn't allowed in decision making process.

As shown in the above table 4.3.4, item no-3 16(14.5%) strongly agree, 54(49.1%) agree, 11(10%) neutral, 29(26.4%) disagree, and nothing of strongly disagree on this aspect. Majority of the respondents agree on the disciplinary procedures laid down. The mean value of the output is 2.48 which is close to agree. Hence, it is possible to generalize that the bank has proper disciplinary procedure.

As shown in the above table 4.3.4, item no-4 12(10.9%) strongly agree, 46(41.8%) agree, 16(16.4%) neutral, 18(16.4%) disagree, and 16(14.5%) strongly disagree respectively. Majority of the respondents agree on this aspect and the mean value of the output is 2.49 which is close to agree.

As shown in the above table 4.3.4, item no-5 8(7.3%) strongly agree, 18(16.4%) agree, 13(11.8%) neutral, 44(40%) disagree, and 27(24.5%) strongly disagree respectively. Majority of the respondents disagree the existence of strong relationship between management and employees. The mean value of the output is 3.58 which is close to disagree. Hence, it is possible to generalize that there is no strong relationship between management and employees.

Table 4.3.5 current employee's response about promotion, career development and working environment

Item	Measurement	Level of agreement						Mean
			SA	A	N	D	SD	
1.	There is equal promotion and career development opportunity.	Frequency	10	24	11	55	10	3.28
		Percentage	9.1	21.8	10.0	50.0	9.1	
2.	Management recognized employees for their contribution.	Frequency	15	45	19	25	6	2.65
		Percentage	13.6	40.9	17.3	22.7	5.5	
3.	Working environment of CBE was good.	Frequency	14	19	5	52	20	3.41
		Percentage	12.7	17.3	4.5	47.3	18.2	
4.	I was motivated to join CBE because I thought CBE has good opportunity training and development.	Frequency	28	49	25	8	0	2.12
		Percentage	25.5	44.5	22.7	7.3	0	
5.	I have taken training/development that develops my skill.	Frequency	5	15	36	46	8	3.34
		Percentage	4.5	13.6	32.7	41.8	7.3	

Source: own questionnaire

As shown in the above table 4.3.5, item no-1 10(9.1%) strongly agree, 24(21.8%) agree, 11(10.0%) neutral, 55(50.0%) disagree, and 10(9.1%) strongly disagree respectively. Majority of the respondents disagree on equal promotion and career development opportunity. The mean value of the output is 3.28 which is close to disagree. Therefore, it is possible to generalize that the bank doesn't give equal promotion and career development opportunity. As shown in the above table 4.3.5,

item no-2 15(13.6%) strongly agree, 45(40.9%) agree, 19(17.3%) neutral, 25(22.7%) disagree, and 6(5.5%) strongly disagree respectively. Majority of the respondents agree on this aspect.

As shown in the above table 4.3.5, item no-3 14(12.7%) strongly agree, 19(17.3%) agree, 5(4.5%) neutral, 52(47.3%) disagree, and 20(18.2%) strongly agree respectively. Majority of the respondents disagree on the working environment of the bank. The mean value of the output is 3.41 which is close to disagree. Hence it is possible to generalize that the working environment of the bank is not good.

As shown in the above table 4.3.5, item no-4 28(25.5%) strongly agree, 49(44.5%) agree, 25(22.7%) neutral, 8(7.3%) disagree respectively. Majority of the respondents agree that they join CBE to seek good opportunity of training and development. The mean value of the output is 2.12 which is close to agree.

As shown in the above table 4.3.5, item no-5 5(4.5%) strongly agree, 15(13.6%) agree, 36(32.7%) neutral, 46(41.8%) disagree, and 8(7.3%) strongly disagree respectively. Majority of the respondents disagree on this aspect. The mean value is 3.34 which is close to disagree. Hence, it is possible to generalize that the bank doesn't provide training /development that develop employee skill.

Table 4.3.6 current employee's response about effective measures to reduce staff turnover

		Level of agreement						
Item	Measurement		SA	A	N	D	SD	Mean
1.	The bank must build trust.	Frequency	32	47	8	15	8	2.27
		Percentage	29.1	42.7	7.3	13.6	7.3	
2.	The bank must facilitate condition to give promotion continually.	Frequency	40	33	19	13	5	2.18
		Percentage	36.4	30.0	17.3	11.8	4.5	

Source: own questionnaire

As shown in the above table 4.3.6, item no-1 32(29.1%) strongly agree, 47(42.7%) agree, 8(7.3%) neutral, 15(13.6%) disagree, and 8(7.3%) strongly disagree respectively. Majority of the respondents agree on this aspect. The mean value of the output is 2.27 which is close to agree. Therefore, it is possible to generalize that the bank must build in order to reduce staff turnover.

As shown in the above table 4.3.6, item no-2 40(36.4%) strongly agree, 33(30.0%) agree, 19(17.3%) neutral, 13(11.8%) disagree, and 5(4.5%) strongly disagree respectively. Majority of the respondents also agree on this aspect. The mean value of the output is 2.18 which is close to agree. In order to retain employees the bank must facilitate conditions to give promotion continually.

4.4 Analysis of ex-employee's response about causes that forced them to resign from the bank

Table 4.4.1 Ex-employees response on poor Compensation system

Level of agreement	Frequency	Percent	Mean value
strongly agree	24	60.0	1.70
Agree	8	20.0	
Neutral	4	10.0	
Disagree	4	10.0	
Total	40	100.0	

Source: own questionnaire

As shown in the above table 4.4.1, 24(60.0%) strongly agree, 8(20) agree, 4(10.0%) neutral and 4(10.0%) disagree respectively. Majority of the respondents agree that the compensation system is poor. The mean value of the output is 1.70 which is close to agree and it is possible to generalize that the compensation system of the bank was not competitive.

Table 4.4.2 Ex-employees response on poor leadership

Level of agreement	Frequency	Percent	Mean value
strongly agree	9	22.5	2.50
Agree	17	42.5	
Neutral	4	10.0	
Disagree	5	12.5	
strongly disagree	5	12.5	
Total	40	100.0	

Source: own questionnaire

As shown in the above table 4.4.2, 9(22.5%) strongly agree, 17(42.5%) agree, 4(10.0%) neutral, 5(12.5%) disagree, 5(12.5%) strongly disagree respectively.

Majority of the respondents agree on this aspect. The mean value of the output is 2.50 which is close to agree.

Table 4.4.3 Ex-employees response on lack of training development opportunity

Level of agreement	Frequency	Percent	Mean value
strongly agree	5	12.5	2.95
Agree	5	12.5	
Neutral	22	55.0	
Disagree	3	7.5	
strongly disagree	5	12.5	
	40	100.0	

Source: own questionnaire

As shown in the above table 4.4.3, 5(12.5%) strongly agree, 5(12.5%) agree, 22(55.0%) neutral, 3(7.5%) disagree, 5(12.5%) strongly disagree respectively.

Majority of the respondents are neutral on this aspect.

Table 4.4.4 Ex-employees response on seeking of better job opportunity

Level of agreement	Frequency	Percent	Mean value
strongly agree	21	52.5	1.68
Agree	13	32.5	
Neutral	4	10.0	
Disagree	2	5.0	
Total	40	100.0	

Source: own questionnaire

As shown in the above table 4.4.4, 21(52.5%) strongly agree, 13(32.5%) agree, 4(10%) neutral and 2(5.0%) disagree respectively. The majority of the respondents agree that they resign to seek better job opportunity. The mean value of the output is

1.68 which is close to agree and hence it is possible to generalize that employees resign from the bank to seek better job.

Table 4.4.5 Ex-employees response on lack of social and interpersonal relation

	Frequency	Percent	Mean value
strongly agree	5	12.5	2.78
Agree	8	20.0	
Neutral	21	52.5	
Disagree	3	7.5	
strongly disagree	3	7.5	
Total	40	100.0	

Source: own questionnaire

As shown in the above table 4.4.8, 5(12.5%) strongly agree, 8(20%) agree, 21(52.5%) neutral, 3(7.5%) disagree, and 3(7.5%) strongly disagree respectively. The majority of the respondents are neutral in this aspect.

Table 4.4.6 Ex-employees response on absence of career development

Level of agreement	Frequency	Percent	Mean value
strongly agree	8	20.0	2.4
Agree	18	45.0	
Neutral	6	15.0	
Disagree	6	15.0	
strongly disagree	2	5.0	
Total	40	100.0	

Source: own questionnaire

As shown in the above table 4.4.9, 8(20.0%) strongly agree, 18(45.0%) agree, 6(15.0%) neutral, 6(15.0%) disagree, 2(5.0%) strongly disagree respectively. The majority of the respondents agree on the absence of career development.

Table 4.4.7 Ex-employees response on lack of clear grievance handling mechanism

Level of agreement	Frequency	Percent	Mean value
strongly agree	12	30.0	2.45
Agree	11	27.5	
Neutral	8	20.0	
Disagree	5	12.5	
strongly disagree	4	10.0	
Total	40	100.0	

Source: own questionnaire

As shown in the above table 4.4.10, 12(30.0%) strongly agree, 11(27.5%) agree, 8(20.0%) neutral, 5(12.5%) disagree and 4(10.0%) strongly disagree respectively. Majority of the respondents agree on the lack of clear grievance handling mechanism. The mean value of the output is 2.45 which is close to agree.

Table 4.4.8 Ex-employees response on poor performance measurement system

	Frequency	Percent	Mean value
strongly agree	3	7.5	3.18
Agree	7	17.5	
Neutral	14	35.0	
Disagree	12	30.0	
strongly disagree	4	10.0	
Total	40	100.0	

Source: own questionnaire

As illustrated in the above table 4.4.11, 3(7.5%) strongly agree, 7(17.5%) agree, 14(35.0%) neutral, 12(30.0%) disagree, and 4(10.0%) strongly disagree respectively. Majority of the respondents disagree and neutral in this aspect.

4.5. Management View on current employee turnover

In this part, the results of the interview made with HRM of WAAD on issues related to turnover were discussed. Interview session was held with the manager of human resource development of WAAD to assess whether the district is aware of the existence of employee turnover, its magnitude, causes of turnover, type of turnover, and measures taken to reduce staff turnover.

1. What is the magnitude of employee turnover at CBE WAAD? What is the current trend of employee's turnover in terms of gender, occupation, experience? Is the management aware? What are the causes? Most serious type of turnover? Measures taken by the district to reduce turnover? And what suggest as a solution is discussed below.

- HRM of WAAD said that it is obvious that without people/employee any organization cannot exist. Employee needs something different from the

existing organization and he/she move to other better organization. As compared to the last three and four years employee turnover is becoming high. Currently, employees that are working in the position of CSO they are still applying for resignation.

- HRM of WAAD says that they are aware of high turnover of employee especially in the last second and third quarter. Even if, our district is unable to avoid this problem lonely, I believe that HRM of CBE will take measures to minimize the problem.
- According to HRM of WAAD explanation, she says that since CBE is well organized and have long year experience as compared to other private banks, employees who are worked in this bank become competent in the market and private banks and other related service providing industries hire them by promising better salary. Therefore, salary and searching of better job position are the main causes of staff turnover.
- Related to the measures taken to reduce staff turnover at district level, HRM of WAAD says that we are promoting those of experience employees to minimize their resignation from the bank.
- As a key solution HRM of WAAD says that making an adjustment on salary, arranging of working environment of the bank, creating an opportunity to grow and develop those of experience employees can be taken as a measure to reduce staff turnover.
- Regarding with the nature of turnover HRM of WAAD says that large proportion of turnover is voluntary turnover. No one forced them to resign the organization without any disciplinary case. This implies that the type of turnover is influenced by market demand and it is voluntary type of turnover.

CHAPTER FIVE

SUMMARY, CONCLUSITON AND RECOMMENDATION

In the previous chapter, analysis and interpretation of the study was made based on the data obtained through questionnaire distributed to and an interview conducted with employees of CBE WAAD. Based on the analysis and interpretation, conclusion and recommendations of the study were made as follows.

5.1 Summary

- Majority of the ex-employees are CSO/maker and CSO/checker. 49% of current employees are CSO/maker and 35.5% employees are CSO/checker and these positions take the line share of turnover at CBE WAAD.
- 75% of ex-employees are found between the age of 18-25 and the majority of the current employees are young who are found between the ages of 18-25. This shows that the bank loses those of young, powerful, and energetic employees.
- Majority of the respondents agree that the job is monotonous and stressful. This plays significant role to resign employees from CBE.
- Majority of the respondents agree that the work activity disrupted when the existing employee leaves. These create production inefficiency in the organization.
- Majority of the respondents agree that there are many customer complaints when the exiting staff leaves. This implies that the bank loses not only its employee but also the bank loses its customers.
- Majority of the respondents disagree that their supervisor has arranged them for flexible working condition. These makes employees boredom and it plays a significant role to resign from the organization.

- Majority of ex-employees of CBE agree that the compensation system of the bank is poor. Majority of current employees are not satisfied with the current remuneration scheme of the bank. This takes the line share to resign employees to search better salary.
- Majority of current employees disagree that incentive is not based on performance. This implies that the one who perform high and the other who perform less compensate equally. This kills the work motivation of employees.
- 42.7% of current respondents disagree that the organization higher officials doesn't allowed participating in decision making process. This implies that each and every decision flows from top to bottom.

5.2 Conclusion

- According to the analysis conducted in chapter four, employee turnover rate is increased from time to time. The study indicates that by the year 2012 to 2013 turnover rate increased from 3.66% to 4.84%. By the year 2014 turnover rate decreased to 2.97%. These occur due to high number of recruitment.
- From 2015 to 2016 the magnitude of turnover rate increased from 4.53% to 11.32%. Unfortunately, the rate increased by double digit in this year.
- Majority of the respondents reply that they are not satisfied by the remuneration scheme of the bank.
- Among the various factors that causes employee turnover in CBE under WAAD remuneration scheme, career development and equal employment opportunity, working environment, grievance handling mechanisms and disciplinary procedures, and relationship with management.
- Current employee responds that incentive is not made based on their performance. These discourage top performers.

- Equal employment opportunity and career is not maintained in the organization. These affect the organization productivity.
- Both current and ex-employees of CBE agree that grievance handling mechanisms are properly laid and majority of the current employees agree that disciplinary procedures are properly laid down.
- Majority of current employees replied that the working environment of CBE was not good.
- The study indicates that both ex-employees and current employees agree that there is no equal career development opportunity in CBE.
- Majority of the current employees disagree on the strong relationship between management and employees.
- The study indicates that majority of the current respondents agreed that management recognized employees for their contribution.
- Both current and ex-employees of the bank replied that they haven't taken training that help to develop their skill.

5.3 Recommendations

On the basis of analysis and its findings, the following recommendations have been given:

- The management of CBE WAAD should minimize the number of employees who apply for resigning from the organization by promising better position, salary, credit arrangement and good working environment. Unless otherwise the bank takes the like measures it is getting a bad situation.
- Since, all most all respondents agreed that they are not satisfied with the remuneration scheme of the bank and the bank should make adjustment of their pay scale in order to stick on employees.
- The bank should arrange flexible working condition to make pleasant its employees. The manager of each branch should work closely with subordinates through creating flexible working condition.
- Management of CBE WAAD should create comfortable Working environment and this concerned body should create happiness to feel comfort of their employees.
- As many employees agreed grievance handling mechanisms and disciplinary procedures are properly laid down and this culture should develop to maintain pleasant workforce.
- The bank should develop performance based incentive system. It makes employee to work hard for better payment.
- Higher officials of the bank should allow employees to participate in the decision making process. This helps employees to own each and every job responsibility.
- The bank should create equal career development opportunity to avoid employees complain.

- The bank should create good relationship between management and employees. For example, the bank can create good relationship with employees by using labor union as a mediator.
- Recognizing employees for their contribution boost the morale of employees and the bank should keep it up to maintain pleasant workforce.
- The bank should develop mechanisms to provide training to develop their skill. The bank should help employees to learn new technology and to upgrade themselves to accept changes easily.
- In general, the management of CBE WAAD should look the current situation of labor market to retain experienced employees, to minimize turnover cost, and to maintain the bank image.

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Appendix
Saint Mary University
Graduate Study
MBA Program

Questionnaire for Senior CSO and CSO of Commercial bank of Ethiopia under WAAD

Dear respondents: -

This questionnaire is designed for preparing a thesis on the title of the Determinants of Employee Turnover in Commercial Bank of Ethiopia. The outcome of the study will be used in order to suggest possible solutions for problems identified while conducting the study. I request you to kindly spend some time to fill the questionnaire as frankly and reasonably as possible. I confirm that, the information you provide will be consumed for academic purpose only and will be kept confidential.

Thank you for your co-operation!

Instruction

1. Please tick one of the correct answers with an (X)
2. Answer all questions.

Section A: Demographic factors

1. Branch name -----
2. Your current position

No.	Position	Tick mark
2.1	CSO/maker	
2.2	CSO/checker	
2.3	Senior CSO/accounts	
2.4	Senior CSO/auditor	
2.5	CSO/cashier	

3. Age

No.	Year	Tick mark
3.1	18-25 years	
3.2	26-35 years	
3.3	36-45 years	
3.4	46-55 years	
3.5	56 and above	

4. Gender

No.	Year	Tick mark
4.1	Male	
4.2	Female	

5. Qualification

No.	Qualification	Tick mark
5.1	College certificate	
5.2	Diploma	
5.3	Degree	
5.4	Masters	
5.5	Above Masters	

6. Service year

No.	Year	Tick mark
6.1	1-5 years	
6.2	6-10 years	
6.3	11-15 years	
6.4	16-20 years	
6.5	21 and above	

Section B

Using the following Rating Scales under the columns mark (X) sign only once for the given variables depending on your level of agreement in front of it. The purpose of this questioner will be to measure the employee's propensity to quite the organization.

1. Strongly Agree
2. Agree
3. Neutral
4. Disagree
5. Strongly disagree

No.	Variables	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		1	2	3	4	5
1	The job I perform is monotonous.					
2	I was motivated to join CBE for gaining experience.					
3	My job is stressful.					
4	I am satisfied with the sense of achievement I get from my work.					
5	I feel that what I contribute is less.					
6	I believe that the work activity is disrupted when employees leave.					
7	The work skills currently I have do match with the skills I need to do my job.					
8	There are many customer complaints when the existing employee leaves.					
9	My supervisor has arranged me flexible working condition.					
10	I was satisfied with remuneration scheme of the organization.					
11	Incentive is made based on performance.					

12	Management seeks the view of employee representative.					
13	The organization higher officials allowed you to participate in decision making process.					
14	Disciplinary procedures are properly laid down.					
15	Dispute/grievance handling mechanisms are good.					
16	I feel there is strong relationship between manager and employee.					
17	There is equal promotion and career development opportunity.					
18	Management has provided a clear path for development.					
19	Management recognized employees for their contribution.					
20	Working environment of CBE was good.					
21	I was motivated to join CBE because I thought CBE has good opportunity for training and development.					
22	I have taken training /development that develop my skill.					
23	The bank must build trust.					
24	Employees must be recognized when they achieve goals.					
25	Work relationship between employees must be improved.					
26	The bank must facilitate condition to give promotion continually.					

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Graduate Study
MBA Program

Questionnaire for Senior CSO and CSO of ex-employees of CBE under WAAD

Dear respondents: -

This questionnaire is designed for preparing a thesis on the title of the Determinants of Employee Turnover in Commercial Bank of Ethiopia. The outcome of the study will be used in order to suggest possible solutions for problems identified while conducting the study. I request you to kindly spend some time to fill the questionnaire as frankly and reasonably as possible. I confirm that, the information you provide will be consumed for academic purpose only and will be kept confidential.

Thank you for your co-operation!

Instruction

3. Please tick one of the correct answers with an (X)
4. Answer all questions.

Section A: Demographic factors

7. Your previous Branch name -----
8. Your previous position

No.	Position	Tick mark
2.1	CSO/maker	
2.2	CSO/checker	
2.3	Senior CSO/accounts	
2.4	Senior CSO/auditor	
2.5	CSO/cashier	

9. Age

No.	Year	Tick mark
3.1	18-25 years	
3.2	26-35 years	
3.3	36-45 years	
3.4	46-55 years	
3.5	56 and above	

10. Gender

No.	Year	Tick mark
4.1	Male	
4.2	Female	

11. Qualification

No.	Qualification	Tick mark
5.1	College certificate	
5.2	Diploma	
5.3	Degree	
5.4	Masters	
5.5	Above Masters	

12. Service year

No.	Year	Tick mark
6.1	1-5 years	
6.2	6-10 years	
6.3	11-15 years	
6.4	16-20 years	
6.5	21 and above	

Section B

Using the following Rating Scales under the columns mark (X) sign only once for the given variables depending on your level of agreement in front of it. The purpose of this questioner will be to identify the cause of turnover that forced you to resign from CBE.

1. Strongly Agree
2. Agree
3. Neutral
4. Disagree
5. Strongly disagree

No.	Variables	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		1	2	3	4	5
1	Poor compensation system.					
2	Poor leadership style.					
3	Poor training and development opportunity.					
4	Seek of better job opportunity.					
5	Low social and interpersonal relationship.					
6	Lack of career development.					
7	Lack of clear grievance handling mechanism.					
8	Poor performance measurement system.					

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Interview question to concerned body (human resource development) of
WAAD

Interview session was held with the manager of human resource development of WAAD to assess whether the district is aware of the existence of employee turnover, its magnitude, causes of turnover, type of turnover, and measures taken to reduce staff turnover.

1. What is the magnitude of employee turnover at CBE WAAD? What is the current trend of employee turnover interims of gender, occupation, experience?
2. Is the management of WAAD or human resource development aware about the high turnover of CSO?
3. What are the causes of employee turnover in your district?
4. What type of turnover is most serious and faces repeatedly in your district?
5. What measure does your district take to reduce staff turnover?
6. What do suggest as key solution to employee turnover?