

St. Mary's University School of Graduate Studies



**ASSESSMENT OF PROFESSIONAL EMPLOYEE TURNOVER AND ITS
MANAGEMENT:**

THE CASE OF NATIONAL BANK OF ETHIOPIA

By

BizuayehuTsegaye

Advisor: Solomon Markos (PhD)

June, 2016

Addis Ababa

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BizuayehuTsegaye

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Approved by the Board of Examiners

Advisor

Signature

Date

Dean of Graduate Studies

Signature

Date

Internal Examiner

Signature

Date

External Examiner

Signature

Date

Statement of Certification

This is to certify that Bizuayehu Tsegaye has carried out her research work on the topic entitled “**Assessment of Professional Employee Turnover and its Management in the case of National Bank of Ethiopia**”. The work is original in nature and is suitable for submission for the reward of the MBA Degree in Business Administration.

Advisor: Solomon Markos (PhD)

Signature: _____

Date: _____

Statement of Declaration

I, Bizuayehu Tsegaye, have carried out independently a research work on “**Assessment of Professional Employee Turnover in the case of National Bank of Ethiopia**” in partial fulfillment of the requirement of the MBA program in Business Administration. I, also declare that this thesis is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the thesis have been duly acknowledged.

Bizuayehu Tsegaye

_____ June, 2016

Signature Date

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Abstract

Employee turnover affects employees by experience interruption, the need to learn new job-specific skills and find different career prospects and; the turnover also affect the employer by exposing for additional costs of recruitment, training of new workers and the loss of jobs-specific skills. Employees are main sources for organizations in meeting organizational objectives. If the company determines the most common causes of employee turnover and the existing staff intention to turnover, it would certainly be able to take the necessary steps for retaining of qualified and experienced personnel. Having this in mind, this study has been employed to asses and describes factors that contributed to the turnover intention of the NBE's professional staffs; investigate the existence of turnover intention and the bank's practice in managing the turnover. To conduct this study, a descriptive survey research method was employed to explore and describe the major factors that affect turnover of professional employees. The data collection also has been taken through primary and secondary data collection method. The primary data for the study was collected from 176 existing professional employee of the bank through standard questionnaire and analyzed by using SPSS-20 and also gathered from HRMD staffs interview has been analyzed verbally. Based on the assessment result the researcher has found that job satisfaction, employee/managers relationship, pay scale and work environment has impact on turnover. The main findings were majority of the respondents has intention to turnover due to the dissatisfaction of compensation system, leadership and communication, job dissatisfaction, career development opportunity and the work environment. To resolve this issue and retain those professional staffs the bank should enhance its compensation package, create better relationship with employee, receive feedback of employee and apply talent management practice.

Key words: professional employee, employee turnover, employee retention, intention to turnover

Acronyms

BSD- Bank Supervision Directorate

CMD- Currency Management Directorate

CFD- Corporate Finance Directorate

CPCMD-Corporate Planning and Change Management Directorate

DEAIPD- Domestic Economic Analysis and Publication Directorate

EEAIRD- External Economic Analysis and International Relations Directorate

EMSAD- Economic Modeling and Statistics Analysis Directorate

FEMRMD- Foreign Exchange Monitoring and Reserve Management Directorate

HRMD- Human Resource Directorate

IARMD- Internal Audit and Risk Management Directorate

ISMD- Information System Management Directorate

ISD- Insurance Supervision Directorate

LSD- Legal Service Directorate

MFAD- Monetary and Financial Analysis Directorate

MISD- Micro-Finance Institution Supervision Directorate

NBE- National Bank of Ethiopia

PSMD- Procurement Service Management Directorate

PSSD- Payment and Settlement System Directorate

SPSS-Statistical Package for Social Sciences

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

As described by Chirs(1995)“professionals are defined as those requiring a first degree or equivalent qualification” (p.285).They are seen as critical to the dynamic performance of skills.

However, Turnover is a reduction in the number of employees through retirement, resignation, reassignment, transfer or other means than layoffs, (Mani & Kumar, 2006) and refers to the number or percentage of workers who leave an organization and are replaced by new employees(Ruth, 2016).Turnover intention is also a measurement of whether a business' or organization's employees plan to leave their positions or whether that organization plans to remove employees from positions. Turnover intention, like turnover itself, can be either voluntary or involuntary (Michaele, 2016). According to Carol W.(2016)turnover can be classified into voluntary and involuntary turnover whereas:

- 1) **Voluntary turnover** is when an employee quits due to finding a better position at another company, a conflict with a supervisor or a personal reason, such as needing to stay home with a family member.
- 2) **Involuntary turnover** is when an employee is laid off or fired, generally due to reducing staff because of a business downturn or change in business focus or because of an employee taking some action that is cause for termination, such as theft.

Moreover, studies undertaken to address employee turnover, from different perspective. For instance, Obiero(2014) described in his result of finding intrinsic factors (those feeling and attitudes employees which are job related), extrinsic factors (deal with situations outside of the individual and are not necessarily job related), career development and Employee relations was the reason to staff turnover. Arokiasamy(2013) concluded that job satisfaction has the largest direct effect on turnover intent.

Asmamaw and Beruk(2011; 2013) also showed that professional employee's turnover is caused by low salary and benefit packages, job dissatisfaction, poor management systems, better opportunity in other organizations and job stress.

Due to the aforementioned and other reasons which are depends on the organizations types and management styles people leave from an organization to join the other one. As a result organizations will be subjected to several turnover costs. Costs associated with turnover described into direct and indirect. Direct cost include the cost of leaving, replacement costs, and transition costs, while indirect turnover costs include the loss of production and reduced performance(Cascio, 2003; Laura, 2016). Besides, the cost (Michaele, 2016) turnover creates structural stress it occurs within especially voluntary turnover. As investigated by (Derek, Laura & Stephen, 2005) particularly in a professional service organization where the personal relationship established between employees and clients are central to ongoing success, a turnover rate in excess of 10 per cent is likely to cause damage to the business. However there is also good turnover (Neil, 2016) while losing employees that are poor performers or negative influences on workplace. Therefore, according to Cascio(2003) the critical issue in analyzing turnover is not how many employees leave but rather the performance and replace-ability of those who leave versus those who stay.

Productivity of any organization depends on the skills or expertise of its workforce. A skilled worker is an asset for any organization as well as the National Bank of Ethiopia. If a skilled and professional person leaves the bank the effect will be very high where as in case of a semiskilled or un-skilled person the effect will be less. It is therefore, crucial to maintain a constant workforce particularly for those professional and skilled ones in the bank to reduce the influence the bank face due to the professional employee turnover. Therefore, this study assessed the professional employee turnover and its management in the case of National Bank of Ethiopia. So as, the research covered the areas which was not covered by the other researchers and also provided insight to take remedial action for minimizing professional employees turnover and to retain those employees.

1.2. Statement of the Problem

Various studies in different countries and organizations were carried out on employee turnover; study by Asmamaw(2011) at Ministry of Finance and Economics Development found that causes of professional employee turnover in MoFED were dissatisfaction with pay, un conducive working environment, unfair supervision, low organizational commitment and job stress. Solomon(2007) affirm that Ethiopia's Roads Authority employees turnover was due to, inadequate wage level, poor morale and low level of motivation and recruiting incapacitated employee etc. could be the major causes for skilled employee turnover that create an adverse effect to the authority in terms of productivity, money and time. Yohannes (2014)in his study also investigated that the consequence of employee turnover impacted the Ethiopian Evangelical Mekane Eyesus Church through loss of experienced and skilled employees, higher recruitment costs, and higher workload due to lack of career advancement, job dissatisfaction, leader's unwillingness to allow staff participation in decision making, and unfair training system.

Besides the above studies, studies undertaken outside Ethiopia by (Philipian & Cudjor, 2015) found that lack of promotion was the primary cause of employee turnover in Electricity Company of Ghana. And also described turnover had dual effects on the organization; positive and negative effects. While employee turnover introduced new ideas and skill into the company; it's also led to difficulties in attracting new staff. On the other side study undertaken by Chu(2010)also investigated that job dissatisfaction and absence of monetary rewards according to the employees level of importance and actual experiences are the cause for the turnover of Chen, Ying-Chang, Department of Hotel and Restaurant Management in Taiwan. Saeed, waseen, Sikndar & Rizawun(2004) study on Pakistan by using linear regression analysis method; found that Job satisfaction, job performance and leader membership exchange has a direct negative influence on the turnover intention. Elizabeth(2012) at Colombia university founded that Job dissatisfaction is related to turnover intention.

However, those studies are undertaken on organizations their business activities are unrelated with National Bank of Ethiopia; Even-though there have some similarities between the research findings there are also magnificent differences according to the

organizations and study places. Any of the study didn't specifically address the intent of turnover beyond describing the causes for the turnover intention. And also the management of turnover and the employee retention strategy of the studied organizations were not clearly and adequately elucidated. Except study undertaken by Asmamaw(2011) and Bruck(2014) professional employee turnover has not been separately studied. Therefore, this research has covered those described gaps observed from previous studies.

In order to understand the causes for turnover and managing the turnover exit interviews can be an important way to understand what people are thinking when they wave goodbye to a company. An honest exit interview can be an invaluable learning tool if departing employees are actually providing frank feedback (Melany, 2013). Agreeing with this NBE conduct exit interview to understand the causes of employee turnover however exit interview alone was not successful to understand the real cause of turnover. However, as it is found by (Rachna & Snigdha, 2014), corporate insecurity and defensiveness can act as a barrier in implementing exit interview process objectively. Also the feedbacks received from the employees during the process are masked due to their personal reason or simply not taking the exit interviews seriously. They even feel that it will block their re- entry in the organization, if so desired and may find it difficult to face an ex-colleague or manager in future if they cross paths.

National Bank of Ethiopia is the central bank of the country which is organized to maintain price and exchange rate stability, to foster a sound financial system and undertake such other functions as are conducive to the economic growth of Ethiopia. And also, the business undertakings by the bank are unique from any other financial institutions and other organizations in the country

As observed from the National Bank of Ethiopia HRMD voluntary employee turnover data; 2012/13, 2013/14 and 2014/15 the professional employee turnover rate were 17%, 15% and 10 % and other non- professional staff turnover rate were also 4%, 2% and 2% respectively. Even though, the professional employee turnover rate was showing decreasing rate the turnover is still high compared with non-professional staffs. Furthermore, the total professional staffs recruited during those 3 years were 151 and voluntarily separated were 133 in the other side non-professional employees recruited

during these years were 185 and voluntarily separated were only 28 employees. But any study was not undertaken regarding to employee turnover and its management practice of the Bank. Therefore, this study undertaken to fill the identified gap and assessed the professional employee turnover and its management in the National Bank of Ethiopia.

1.3. Basic Research questions

The study has answered the following questions;

- Which professions and departments are more subjected to staffs' turnover?
- Are the existing professional employees of the bank intending to turnover?
- What are the causes of professional employee turnover?
- How the bank attempts to manage voluntary turnover of professional employee and retain those employees?

1.4. Objective of the study

1.4.1. General objective of the study

The main objective of this study was to assess the professional employee turnover and its management on National Bank of Ethiopia.

1.4.2. Specific objectives

The specific objectives of the study were;

- To identify departments and professions more exposed to turnover;
- To assess the intention of the existing professional staffs towards turnover;
- To investigate the causes of professional employee turnover;
- To examine the bank's practice on managing voluntary turnover of professional employee and retaining those employees;
- To formulate suggestions based on the findings to the bank on how to manage the professional employee turnover and how to retain employees and reduce turnover.

1.5. Significance of the Study

This research study has the following significances:-

- ✚ The root cause of the problem which is provided by the researcher can enable the Bank to minimize the high professional employee turnover rate;
- ✚ The out- put of the research can help the Bank to take some remedial actions on the problems which are defined in this study. In addition, the study provided understanding of the general trend of the bank and it alerts managers to take rapid action to the concerns of employees. and
- ✚ In the future this research can serve as potential reference for those individuals who want to conduct further studies on the same or related areas.

1.6. The scope of the study

Employees' turnover is broad in the sense it comprises voluntary and involuntary turnover. This study however addressed only voluntary turnover and its management practice in the case of National Bank of Ethiopia. The study also focused on professional employees who have first degree and above. The topical frame work and data collection mechanism were mainly focusing on factors affecting the turnover like job satisfaction, pay scale, employee-manager relationship, the work environment and also the turnover intention.

1.7. Limitation of the study

The limitation of this study did not comprise the reasons of Ex-professional employee turnover thus the turnover causes were only collected from the existing staffs.

1.8. Definition of Key Terms

- ✚ **Professional employee:** According to this study professional employees are employees who have 1st degree and above on the profession they are working;
- ✚ **Turnover:** is a reduction in the number of employees through retirement, resignation, reassignment, transfer or other means than layoffs, (Mani & Kumar,2006)
- ✚ **Turnover rate:**is the ratio of total separations to the average number of employees(Chirantan, 2016).

✚ **Intention to turnover:** is a measurement of whether a business' or organization's employees plan to leave their positions or whether that organization plans to remove employees from positions(Micalele,2016);

✚ **Employee retention:** is a voluntary move by an organization to create an environment which engages employees for long term (Chaminade, 2007)

1.9. The structure of the report

The report has been organized into five chapters namely introduction, literature review, research methodology, data analysis, presentation, interpretation and Summary of findings, conclusions & recommendations. Chapter one has focused on background of the study, statement of the problem, the objectives, research questions, significance, limitation, scope and definition of key terms. Chapter two has discussed Literature Review with taking consideration of the empirical review and theoretical framework to develop conceptual framework and knowledge gap. Chapter three has summarized research methodology; this covered study design, sampling design, data collection procedures, instruments which has been employed for data gathering and analysis. Chapter Four, was result and discussion section which included result analysis and discussion.

Finally chapter has provided summary of findings, conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

In recent years, turnover has become a trend in industrial and organization field. In fact, turnover can give positive and negative impacts to the organizations. The negative effect is the main problem turnover brings. As (Kreitner & Kinicki, 2010) organization spend a lot of money in separation process and replacement It causes organizations to consume more energy in maintaining the stability of the organization input and output (Shaw, 2011 as cited by A'yunnisa, and Saptoto, 2015).

2.2. Definitions of Professional Employee

Chirs(1995) described that “professionals are defined as those requiring a first degree or equivalent qualification. They are seen as critical to the dynamic performance of skills”(p.285).

Gery(2005), also defined that “professional employees are those whose work involves the application of learned knowledge to the situation of the employer’s problem. They include lawyers, doctors, economists, and engineers”.

Professional employee is any employee engaged in work predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; involving the consistent exercise of discretion and judgment in its performance; of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes(The lectric legal library & Oregon laws, c1995-2015).

2.3. Employee turnover

Turnover is a reduction in the number of employees through retirement, resignation, reassignment, transfer or other means than layoffs, (Mani & Kumar, 2006). And also refers to the number or percentage of workers who leave an organization and are replaced by new employees (Ruth, 2016).

2.4. Turnover Intention

Turnover intention is a measurement of whether a business' or organization's employees plan to leave their positions or whether that organization plans to remove employees from positions. Turnover intention, like turnover itself, can be either voluntary or involuntary (Micalele, 2016)

According to March and Simon, (1958) the employees would initiate the process of termination of their relationship with their employee/ organization/ profession only when there is perceived desirability to do so and there is a perceived possibility of such ease of movement. This perceived desirability of termination of employee-employer relation is known as turnover intention that when there is a perceived desirability on turnover there is also a possibility to ease movement. Turnover intention may be defined as the individual's intention to voluntarily quit the organization or profession. And also it was found by (Mobley, Griffeth, Hand, & Meglino, 1979) intentions are important to study as they predict an individual's perception and judgment (as cited in Jha, 2009).

2.5. Types of Turnover

Turnover has divided into two (Chirantan, 2016 & Noe, Hollenbeck, Gerhart & Wright, 2007) which are voluntary and involuntary when the organization initiates the turnover (often with employees who would prefer to stay), the result is involuntary turnover. When the employees initiate the turnover (often when the organization would prefer to keep them), it is voluntary turnover.

Voluntary turnover is when an employee quits due to finding a better position at another company, a conflict with a supervisor or a personal reason, such as needing to stay home with a family member. And it occurs when the employee makes the decision to leave on his own. Usually, voluntary turnover occurs when the employee perceives another opportunity

as better than its current position. This includes more pay, more recognition or a more convenient location. It can also occur when the employee has to leave for health or family reasons (Micalele, 2016). It is also the type of turnover that is initiated by the employee for many different reasons. Voluntary turnover can be somewhat predicted and addressed in HR (Laura, 2016).

Involuntary turnover is when an employee is laid off or fired, generally due to reducing staff because of a business downturn or change in business focus or because of an employee taking some action that is cause for termination, such as theft. It is where the employee has no choice in their termination—for example, employer-initiated due to nonperformance (Laura, 2016).

Derek, et al. (2005) also claimed turnover into “Functional” when turnover includes all resignations which are welcomed by both employer and employee alike. The major examples are those which stand from an individual’s poor work performance or failure to fit in comfortably with an organizational or departmental culture” (p.168).

2.6. Causes of Employee Turnover

Different literatures have put different reasons for why employees leave their job; in this regard (Derek, et al., 2005) also described the following factors for the reason why people voluntarily leave a job:

Push factors

With push factors the problem is dissatisfaction with work or the organization, leading to unwanted turnover. Those push factors are insufficient development opportunities, inefficient supervision, poor level of employee involvement and straight forward personality clashes.

Pull factors

Salary levels are often a factor for employees leaving in order to improve their leaving standard, career development, the wish to move into new areas of work which there are better opportunities elsewhere, and the chance to work with particular people.

Satisfaction with the job, the quality of management, perceived opportunities for advancement and the adequacy of pay, training and performance appraisal are the reasons for employee turnover (Benerdin, 2003).According to Cascio(2002) “working satisfaction can reduce absence and employee turnover reduce the rate of accidents. However, the work dissatisfaction in the longer term, adverse effects such as loss of trained employees, unrealized productivity, and lowered morale often translate into lower financial gains than anticipated”(as cited in Chu, 2010).Alfes, Shantz, Truss, and Soane, (2013) claimed that “engaged employees who perceive they have low organizational support were less likely to stay with the organization.

People also leave organization voluntarily to further their career, get more money, move away from the district or because they are fade up with the way they feel they have been treated (Armstrong,2006).Tamkeen & Seema, (2013),It is not surprising that salary or wages as measures of pay level consistently have been shown to influence pay satisfaction, employee turnover, turnover intention and its relationships to pay satisfaction and organizational commitment is a topic of global interest.

According to Arokiasamy (2013) study result of job satisfaction, employee engagement and an organization’s ability to attract talented people for job vacancies has the largest direct effect on turnover intent.

Harvard Business Essentials(2002),stated that people also leave organizations for many different reasons; for example:-

The company’s leadership shifts. Either the quality of the top management’s decisions declines, or new leaders whom employees do not yet trust or feel comfortable with-take the helm.

Conflict with immediate supervisors. People may also leave when their relationship with their bosses becomes stressful or problematic, and they don’t see any other options in their company.

Close friends leave. One or more colleagues when an employee particularly lives and respects leave the firm, thus taking away an affiliation that is very meaningful to that employee.

An unfavorable change of responsibilities: a person's job responsibilities change so that the work no longer appears to his or her deepest interest.

Laura(2016) one mistake HR professionals and managers make is to assume people leave solely on the basis of their unhappiness with their compensation packages. Once we find out what can cause voluntary turnover, we can develop retention strategies to reduce turnover. Some of the common reasons employees leave organizations can include the following:

1. **A poor match between the job and the skills of the employee.** This issue is directly related to the recruitment process. When a poor match occurs, it can cause frustration for the employee and for the manager. Ensuring the recruitment phase is viable and sound is a first step to making sure the right match between job and skills occurs.
2. **Lack of growth.** Some employees feel “stuck” in their job and don't see a way to have upward mobility in the organization. Implementing a training plan and developing a clearly defined path to job growth is a way to combat this reason for leaving.
3. **Internal pay equity.** Some employees, while they may not feel dissatisfied with their own pay initially, may feel dissatisfaction when comparing their pay with others.
4. **Management.** Many employees cite management as their reason for leaving. This can be attributed to over managing (micromanaging) people, managers not being fair or playing favorites, lack of or poor communication by managers, and unrealistic expectations of managers. Amy (2015) claims that “the friction between management and staff not only manifests itself in poor attitudes and morale, it can have a deleterious effect on a company's productivity and revenue

5. **Workload.** Some employees feel their workloads are too heavy, resulting in employees being spread thin and lacking satisfaction from their jobs, and possibly, lack of work-life balance as a result.

2.7. Turnover Costs

Laura & Cascio (2016; 2003) in HR, we can separate the costs associated with turnover into indirect costs and direct costs. Direct turnover costs include the cost of leaving, replacement costs, and transition costs, while indirect turnover costs include the loss of production and reduced performance. The following are some examples of turnover costs:

- Recruitment of replacements
- Administrative hiring costs
- Lost productivity associated with the time between the loss of the employee and hiring of replacement
- Lost productivity due to a new employee learning the job
- Lost productivity associated with coworkers helping the new employee
- Costs of training
- Costs associated with the employee's lack of motivation prior to leaving
- Sometimes, the costs of trade secrets and proprietary information shared by the employee who leaves
- Public relations costs

To avoid these costs, development of retention plans is an important function of the HR strategic plan. Retention plans outline the strategies the organization will use to reduce turnover and address employee motivation.

Harvard Business Essentials (2002) also described that employee turnover involves three types of costs those are;

Direct costs: including the out of pocket cost of recruiting, interviewing, and training replacements.

Indirect costs: such as the effect on workload, morale, and customer satisfaction.

Opportunity costs: including lost knowledge and the work that doesn't get done while managers and other employees focus on filling the gap and bringing the replacement up to speed.

2.8. Impact of Employee Turnover

Michalek (2016) turnover creates monetary and structural stress on the organization it occurs within, especially voluntary turnover. As previously demonstrated by (Derek, et al., 2005) there is some debate about the level which staff turnover rates have to reach in order to inflict measurable damage on an employer. The answer varies from organization to organization. In some industries it is possible to sustain highly successful businesses with turnover rates that would make it impossible to function in other sectors. In a professional services organization, where the personal relationships established between employees and clients are central to ongoing success, a turnover rate in excess of 10 per cent is likely to cause damage to the business.

As claimed by Melany (2013) whether or not that turnover rate or “number” is healthy depends more on who is leaving. If the company's annual average employee turnover rate is 10%, but the people heading for the door are top performers or from top-tier positions, that's a strong indication that the organization's vital sign is weak. According to Yang, Congwei, & Xin (2007), “professional and technical staff is more costly to replace and their quitting will result in loss of substantial technical knowledge” (cited on Meskerem, 2010).

High labor turnover has become a problem for government institutions. Well experienced and qualified professionals leave position they held in government offices (Solomon, 2007). Whenever employees leave, the company loses their hard-won knowledge and (often expensively) acquired skills (Harvard Business Essentials, 2002). Neil (2016) while losing employees that are poor performers or negative influences on workplace morale can have positive effects, unplanned and frequent employee turnover is generally regarded as bad for business. High turnover rates typically mean companies are doing a poor job selecting the right employees, failing to provide a motivating work environment or losing out to employers that offer better pay and benefits.

2.9. Managing Employee Turnover and Retention Strategy

The quality of service delivery of any organization depends on the presence of committed and talented employees. Employees are main sources for organizations in meeting objectives in both public and private sector organizations. Therefore, giving emphasis for employees become a big issue particularly in public sector organizations because professional employees' turnover in public sector organizations is more common than other organizations(Asmamaw, 2011).

According to Cascio(2003), the critical issue in analyzing turnover, therefore is not how many employees leave but rather the performance and replaceability of those who leave versus those who stay thus(Gery, 2005) emphasizes that organization must try to ensure that good performers want to stay with the organization. And those employees whose performance is chronically low are encouraged- or forced- to leave. In general, organizations try to avoid the need for involuntary turnover and to minimize voluntary turnover especially among top performers. Effective human resource management can help the organization to minimize both kinds of turnover, as well as carry it out effectively when necessary.

Retention is the converse of turnover. It is not simply a 'feel good' issue. The retention of good employees matters for three important bottom-line reasons;

1. The importance of intellectual capital: during the industrial age, a firm's physical asset such as machinery, plants, and even land-determined how strongly it could compete. In the current 'knowledge era' intellectual capital is what defines a company competitive edge. Intellectual capital is the unique knowledge and skills that a company's work force possesses.
2. Retention of customer satisfaction: every-one understands that customer satisfaction is one of the most-important factors in business survival and growth. Employees who are satisfied with their work and their company are more likely to create satisfied customers.
3. The cost of turnover: employee turnover involves costs like; direct, indirect and opportunity costs.

The straightforward answer to the question of how best to retain staff is to provide them with a better deal, in the broadest sense, than they perceive they could get by working for alternative employers. Terms and conditions play a significant role, but other factors are often more important. For example, there is a need to provide jobs which are satisfying, along with career development opportunities, as much autonomy as is practicable and, above all, competent line management (Derek et al., 2005). To reduce turnover intention, (Michaele, 2016) organizations can offer strategic compensation packages, especially emphasizing performance and tenure. Also employee-centric businesses tend to have less turnover because the staff feels like it has a voice and the company values its contributions.

Derek et al. (2008), compensation packages organization should employ to retain their employees are:

Pay- The consensus among researchers specializing in retention issues is that pay has a role to play as a satisfier, but that it will not usually have an effect when other factors are pushing an individual towards quitting. Raising pay levels may thus result in greater job satisfaction where people are already happy with their work, but it will not deter unhappy employees from leaving.

While pay rates and benefit packages may play a relatively marginal role in the retention of good people, reward in the broader sense plays a more significant role. If employees do not find their work to be 'rewarding' in the broadest sense of the word, they will be much more likely to start looking for alternative jobs. Making work rewarding is a good deal harder for managers to achieve because different people find different aspects of their work to be rewarding. There is thus a need to understand what makes people tick and to manage them as individuals accordingly

Managing expectations- it is important to make sure that new staff enter an organization with their eyes wide open and do not find that the job fails to meet their expectations. A major cause of job dissatisfaction, and hence of high staff turnover, is the experience of having one's high hopes of new employment dashed by the realization that it is not going to be as enjoyable or stimulating as anticipated

Induction- Another process often credited with the reduction of turnover early in the employment relationship is the presence of effective and timely induction. It is very easy to overlook in the rush to get people into key posts quickly and it is often carried out badly, but it is essential if avoidable early turnover is to be kept to a minimum.

Induction has a number of distinct purposes, all of which are concerned with preparing new employees to work as effectively as possible and as soon as is possible in their new jobs. First, it plays an important part in helping new starters to adjust emotionally to the new workplace. It gives an opportunity to ensure that they understand where things are, who to ask when unsure about what to do and how their role fits into the organization generally. Second, induction provides a forum in which basic information about the organization can be transmitted. This may include material about the organization's purpose, its mission statement and the key issues it faces. More generally a corporate induction provides a suitable occasion to talk about health and safety regulations, fire evacuation procedures and organizational policies concerning matters like the use of telephones for private purposes. Third, induction processes can be used to convey to new starters important cultural messages about what the organization expects and what employees can expect in return

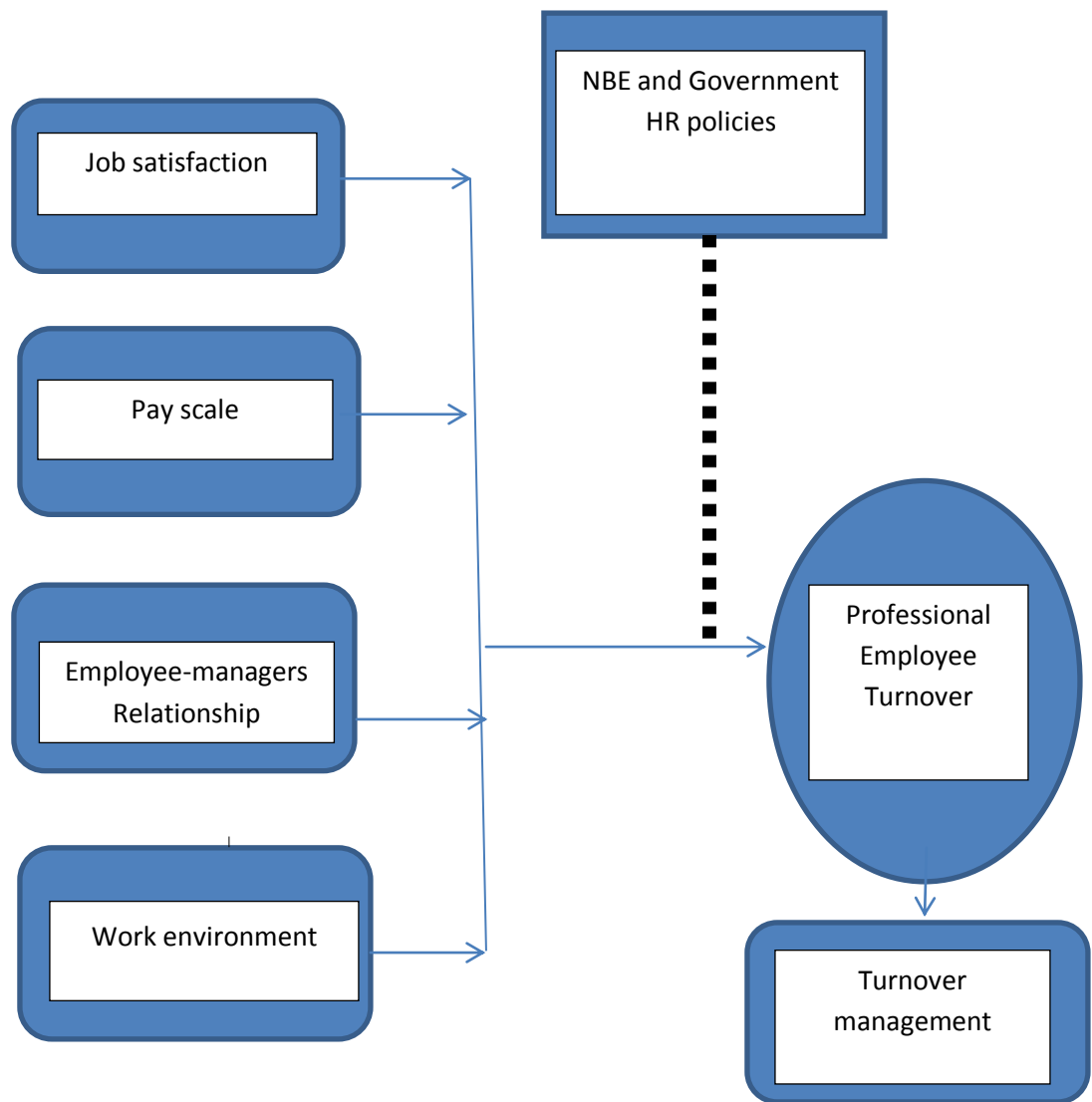
Improving the quality of line management-If it is the case that many, if not most, voluntary resignations are explained by dissatisfaction on the part of employees with their supervisors, it follows that the most effective means of reducing staff turnover in organizations is to improve the performance of line managers. Too often, it appears, people are promoted into supervisory positions without adequate experience or training. Organizations seem to assume that their managers are capable supervisors, without recognizing that the role is difficult and does not usually come naturally to people. Hence it is common to find managers who are 'quick to critics but slow to praise', who are too tied up in their own work to show an interest in their subordinates and who prefer to impose their own solutions without first taking account of their staff's views. The solution is to take action on various fronts to improve the effectiveness of supervisors:

- ✚ select people for line management roles following an assessment of their supervisory capabilities;

- ✚ ensure that all newly appointed line managers are trained in the art of effective supervision;
- ✚ regularly appraise line managers on their supervisory skills.

Retention is a voluntary move by an organization to create an environment which engages employees for long term (Chaminade, 2007). The main purpose of retention is to prevent the loss of competent employees from the organisation as this could have adverse effect on productivity and service delivery(cited by Samuel &Crispen, 2009)

Figure: 2.1. Conceptual Framework of the Study



Source: Developed by the researcher

CHAPTER THREE

RESEARCH METHODOLOGY

A mixed methods research design is a procedure for collecting, analyzing, and “mixing” both quantitative and qualitative research and methods in a single study to understand a research problem. Therefore, the researcher chose Mixed Method research design due to the following reason;

- ✚ To use both quantitative and qualitative data, together, provide a better understanding of the research problem than either type by itself;
- ✚ Because using one type of research (qualitative or quantitative) is not enough to address the study; and
- ✚ To fill the gap unseen by previous researchers.

3.1. Study Design

In order to assess and investigate professional staff turnover and its management, both quantitative and qualitative research methodology used because using mixed method helped the researcher to use all data sources. The researcher also selected a descriptive research method because the study made with detail description and analysis of data.

3.2. Data Types and Sources

As a source of data, both primary and secondary sources were used to make the study informative. The primary data was collected from Human Resource Directorate staffs through structured interview and the sample of 176 professional employee of the bank through standard questionnaires adapted from (Asmamaw, 2011 & Solomon, 2007). The researcher also used secondary sources, which contained data related to the topic under the study.

3.3. Instrument and Measurement

The instruments administered to collect the data were questionnaire and structured interview and ordinal and nominal scale to measure participant’s opinion on the variables. And also used cross tabulation to identify the relationship between job satisfaction, pay

scale, employee-manager relationship and work environment based on the conceptual framework.

3.4. Sample Design

Currently, there are a total of 845 employees in the bank among those 405 employees are first degree holders and above who are called professional employees according to this study. For the purpose of this study, probability sampling method was used which gives equal chance for the target population. In order to determine the sample size the study used Yemane T. (1973) formula to select a representative sample of professional employees.

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

Where, n = the desired sample size

N= population size

e = acceptable error at 95% confidence level

$$n = \frac{405}{1 + 0.05^2 * 405} = 201.24$$

Accordingly, the total sample size of this study was approximately 201

3.5. Data collection Procedure

To gather relevant data from the respondents standard questionnaire and structured interviews have been utilized. In order to give equal chance for the target population; the questionnaires were distributed based on simple random sampling technique. The questionnaire contained the majority of close-ended question item. Through the questionnaire data gathered about situation, practices and problems from 176 respondents within a relatively short period of time. The second primary data also collected from interview of Human Resource Directorate Director Delegate and the directorate staffs. The secondary data also collected through reviewing of related literatures.

3.6. Data Analysis

The data which has been collected from questionnaire was analyzed by using SPSS version 20 (Statistical Package for Social Sciences) mainly descriptive statistics like frequency, percentage method and cross tabulation to clearly show the relationship between factors that affect staff turnover and the turnover intention. And also the data collected through interview was analyzed verbally.

CHAPTER FOUR

RESULTS & DISCUSSION

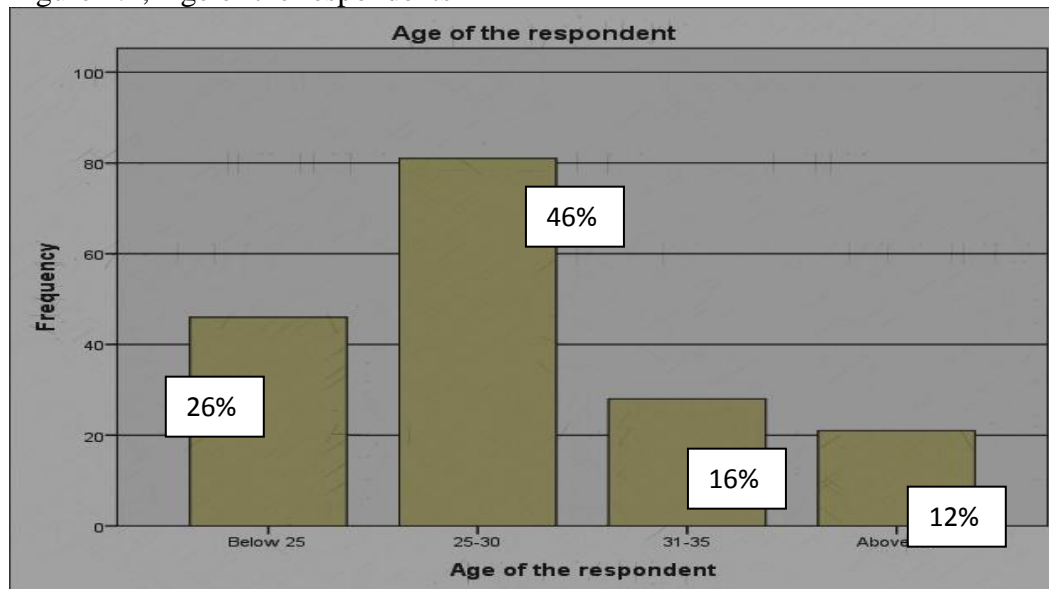
Introduction

The major objective of this study was to assess professional employee turnover and its management in the case of National Bank of Ethiopia. Therefore, source of data were determined and different data gathering tools were employed. The sources of data were professional employees currently working in NBE and the bank's Human Resource Management Directorate. Questionnaires and interview were the instruments through which data were collected in this study. Based on the sample size determination formula a total of 201 questionnaires were distributed to respondents out of the total questionnaires, 176 were collected the remaining 25 questionnaires were remained uncollected due to the respondents were unable to return back. However the collected responses were satisfactory and representative because the target population was homogeneous.

Based on the collected data from professional employees of the NBE, the analysis according to the research objective was presented below.

4.1. Background of the Respondents

Figure 4.1, Age of the respondents



As shown in the bar graph, 46(26%) respondents are in the age below 25, 81(46%) are between 25 and 30, 28(16%) are between 31 and 35 and 21(12%) are above 35. Therefore the majority of the respondents 81(46%) percent were 25-35 age group which means young and productive age group.

Table 4.1, Respondents Background Information

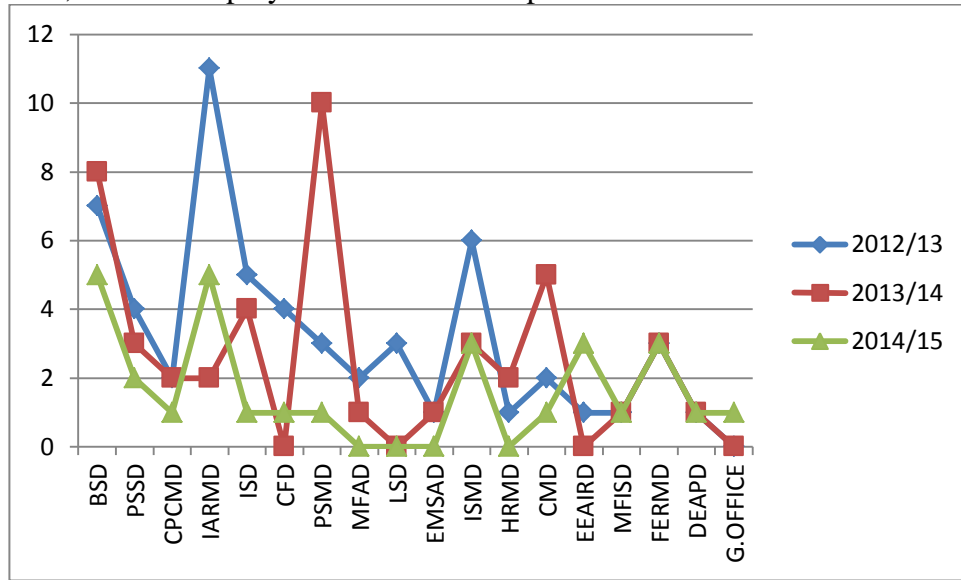
Respondents Background Information		Frequency	Percentage	
Sex	Male	130	74	
	Female	46	26	
Qualification	BSc/BA/LLB	133	75.6	
	MSc/MA/LLM	43	24.4	
Experience	Total experience in NBE	<1 year	46	26.1
		1-2 year	18	10.2
		3-5 years	56	31.8
		6-10 years	35	19.9
		>10 years	21	11.9
	Experience in current position	<1 year	78	44.3
		1-2 year	37	21
		3-5 years	41	23.3
		6-10 years	14	8
		>10 years	6	3.4

Source: Questionnaire-2016

From the total sample most of the respondents 130(74%) are male and the rest 46(26%) are female. With regard to educational status 133(75.6%) are first degree holders and 43(24.4%) are second degree holders. Regarding the respondents work experience in NBE; 46(26.1%), 18(10.2%), 56(31.8%), 35(19.9%) and 21(11.9%) of respondents have less than 1 year, 1-2 years, 3-5years, 6-10 years and above 10 years of experience respectively. The respondents experience in their current position; 78(44.3%), 37(21%), 41(23.3%), 14(8%) and 6(3.4%) are less than 1 year, 1-2 years, 3-5years, 6-10 years and above 10 years of experience respectively. Therefore most of the respondents are those with 3-5 years of experience in NBE and less than one year experience in their current positions

4.2. Departments and Professions more Exposed to Turnover

Figure 4.2, Annual Employee Turnover in Respective Work Units



Based on the HRMD 2012/13, 2013/14 and 2014/15 resigned employees list, the number¹ of voluntarily resigned professional staffs trend showed decreasing rate in the bank wide which is 57, 46, and 30 for the budget year 2012/13, 2013/14 and 2014/15 respectively and also the average turnover rate were 17%, 15% and 10% during those consecutive years. However, as shown in the chart in the directorate level number of voluntarily resigned professional staffs is not showing persistent decreasing rate for example at the budget year 2012/13 the highest employee turnover observed in IARMD(Internal Audit and Risk Management Directorate) which is 11 professional staffs then it radically becomes down to 2 at year 2013/14 but again raised to 5 at 2014/15, in PSMD (Procurement Service Directorate) number of resigned professional staffs were 3 at 2012/13 but it turned up into 10 at the year of 2013/14 then it becomes down into 1 at 2014/15 budget year and also in EEAIRD(External Economic Analysis and International Relations Directorate) the number of resigned professional staff was only 1 at 2012/13 then become down into 0 at 2013/14 but raised to 3 at budget year of 2014/15. Besides the up and down turnover trend observed through work units more turnover have been seen in the professions named Bank Examiner, Internal Auditor and Risk Management Officer, Procurement Officer, Information System Expert and

¹ Attached in the Appendices'

Legal Expert respectively. The work units with highest turnover during those three years were also BSD (Bank Supervision Directorate), IARMD, PSMD, ISMD(Information Systems Directorate) and LSD(legal Service Directorate) respectively.

As claimed by Melany, (2013)whether or not that turnover rate or “number” is healthy depends more on who is leaving. If the company’s annual average employee turnover rate is 10%, but the people heading for the door are top performers or from top-tier positions, that’s a strong indication that the organization’s vital singe is weak. According to Yang, Congwei, &Xin(2007), “professional and technical staff is more costly to replace and their quitting will result in loss of substantial technical knowledge” (cited on Meskerem, M., 2010). As understood from data gathering the HRMD as well as the bank management do recognize the existence of employee turnover however the problem is not given attention and no special efforts has been made to retain those leaving professional employees who can contribute to the achievement of the bank’s objective.

4.3. The Intention of the Existing Professional Employees towards Turnover

5. Table 4.2, The Willingness of Respondents to Stay in NBE One Year from Now

Response		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	76	43.2	43.2	43.2
	No	100	56.8	56.8	100.0
	Total	176	100.0	100.0	

As indicated in table, majority 100(56.8%) of respondents do not wish to stay NBE one year from now. This shows that those professional employees havehigh possibility to leave the bank at any time because (March & Simon, 1958) said that when there is a perceived desirability on turnover there is also a possibility to ease movement.

4.4. Factors Affecting the Turnover Intentions

4.4.1. Job Satisfaction

Table 4.3, Information Provision during Recruitment

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	130	73.9	73.9
	No	46	26.1	100.0
	Total	176	100.0	

Source: Questionnaire-2016

As have seen in the table, 130(73.9%) respondents agreed that the bank has provided them information as to their job objective and mission during recruitment. But the remaining 46(26.1%) of respondents claimed that the bank did not provide them information as to their job objective and mission during recruitment process. Thus the result shows that most of the respondent has got information related to their job objective, mission, etc during the recruitment process of the bank.

Table 4.4, About Job Security

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Highly secure	41	23.3	23.3
	Secure	117	66.5	89.8
	Insecure	18	10.2	100.0
	Total	176	100.0	

Source: Questionnaire-2016

As shown in the above table, 41(23.3%) of respondents feel highly secure in their job, 117(66.5%) of the respondents feel secure in their job and the remaining 18(10.2%) of the respondents feel insecure in their job. Therefore, this shows that most of the respondents are feeling secured in their job.

Table 4.5, The Respondents Work Skill compared to their Job

Response		Frequency	Valid Percent	Cumulative Percent
Valid	A bit lower	10	5.7	5.7
	About the same	57	32.4	38.1
	A bit higher	43	24.4	62.5
	Much higher	47	26.7	89.2
	Not in correspondence with job	19	10.8	100.0
	Total	176	100.0	

Source: Questionnaire-2016

As shown in the table most 57(32.4%) of the respondent said that their work skill is about the same with the skill they need to do their job and 47(26.7%) of the respondents also said that the work skill they personally possessed is much higher than they need to have to do their job and 43(24.4%) of the respondents also believed that their work skill is a bit higher than the skills they need to have to do their job. Therefore the majority respondents thought that the skill they have is about the same with the skill they need to do their job and significant percent of respondent also said that their skill is much higher than the job they are doing now (Laura, 2016) when a poor match occurs, it can cause frustration for the employee and for the manager.

Table 4.6, Respondents Satisfaction on the Achievement they get from their Work

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	102	58.0	58.0
	No	74	42.0	100.0
	Total	176	100.0	

Source: Questionnaire -2016

As stated in the table most of the respondents or 102(58%) are satisfied on the sense of achievement they get from their job the remaining 74(42%) are not.

Table 4.7, The Reason of Respondents for not Satisfied with the Sense of Achievement they get from Their Work.

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Job is uninteresting	25	33.8	33.8
	Lack of recognition from supervisor	11	14.9	48.6
	I feel that what I contribute is less	10	13.5	62.2
	I feel that I am not contributing to NBE's objective	4	5.4	67.6
	There is no performance based promotion system	21	28.4	95.9
	Other	3	4.1	100.0
	Total	74	100.0	
System Missing ²		102		
Total		176		

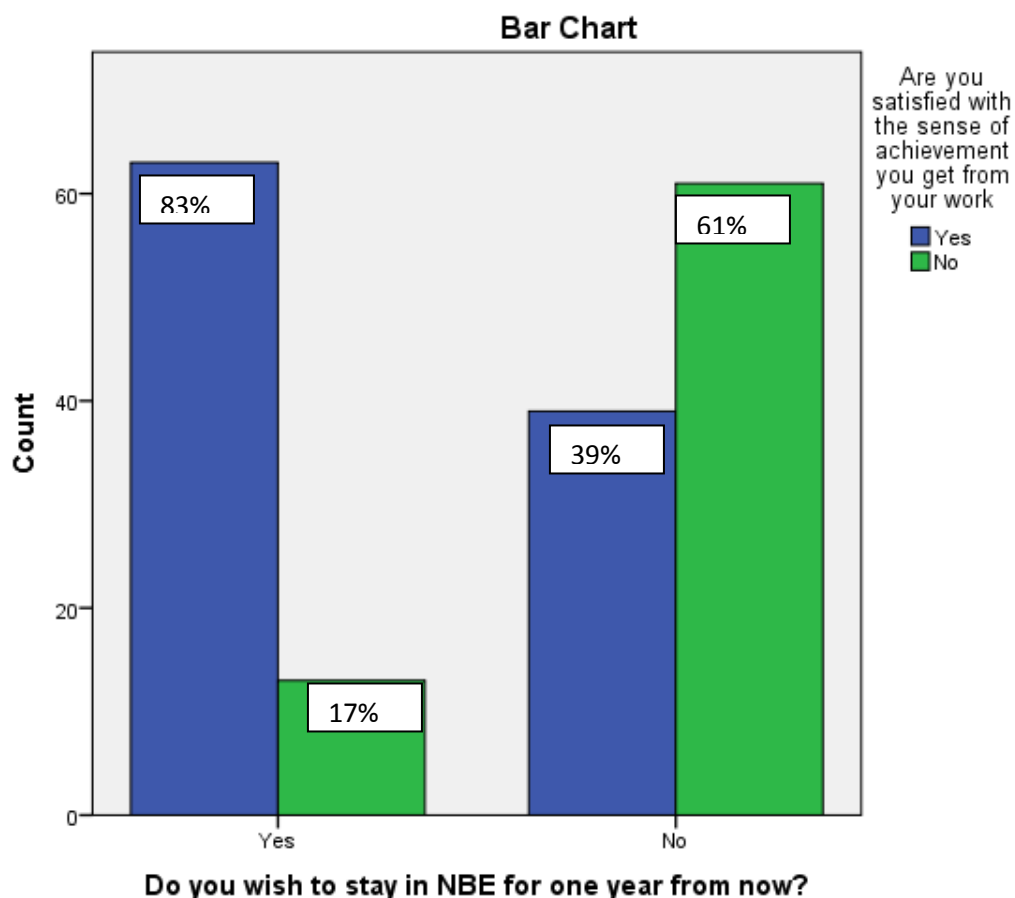
Source: Questionnaire-2016

As shown in the table among the respondents who said not satisfied on the sense of achievement they get from their job the majority 25 (33.8%) are claimed dissatisfied due to the job is uninteresting, 21(28.4%) respondents also believed that there is no performance based promotion system as a result they are not satisfied with the sense of achievement they get from their work for them. The other and the remaining 3(4.1%) respondents are not satisfied on the sense of achievement they get from their work because; they do not know what their exact job description is, they think there is a discrimination among the professions, the work they are currently assigned on is below their capacity and also they visualized that they are obliged to participate on non-professional/routine works.

² System Missing is indicated in the SPSS due to the inapplicability of the Question for those who are satisfied on the sense of achievement they get from their Job.

With regard to the job satisfaction (Tamkeen, & Seema, 2013) demonstrated that an employee's level of job satisfaction (or dissatisfaction) relate directly to the 'desirability' to quite. Based on the analysis made above most of the respondents claimed that they have got enough information as to their job objective, vision and mission, feel secure in their job and satisfied on the sense of achievement they get from their job despite significant percent of employees responded the opposite about their job. Therefore, based on the total satisfaction level of respondents regarding to their job it can be said that the job satisfaction has the less contribution on employee's turnover. However, its relationship with the turnover intention also demonstrated below;

Figure 4.3, Relationship between Job satisfaction and Turnover Intention



As shown in the above Bar chart, most (83%) of the respondents who said satisfied on the sense of achievement they get from their work want to stay in NBE one year from now. This relationship indicates that when employee become more satisfied with their job their intention to turnover will be less. In the other side 61% of respondents who claimed

“dissatisfied” on the sense of achievement they get from their job wish to leave NBE and the lesser but significant 39% of respondents who claimed “satisfied” on their job also do not wish to stay in NBE one year from now which indicates job satisfaction alone can’t retain employees. According to Cascio(2002) “working satisfaction can reduce absence and employee turnover reduce the rate of accidents. However, the work dissatisfaction in the longer term, adverse effects such as loss of trained employees, unrealized productivity, and lowered morale often translate into lower financial gains than anticipated”(as cited in Chu, 2010).

4.4.2. Pay Scale

Table 4.8, The Appropriateness of the Payment Regarding to the Job

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	28	15.9	15.9
	No	148	84.1	100.0
	Total	176	100.0	

Source: Questionnaire-2016

As depicted in the table 7, 28(15.9%) of respondent agreed that they are getting appropriate pay as to their job. In the contrary, most 148(84.1%) of respondents feel that the payment they are getting for their job is inappropriate.

Table 4.9, Satisfaction of the Respondents on the Amount of Payment

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	23	13.1	13.1
	No	153	86.9	100.0
	Total	176	100.0	

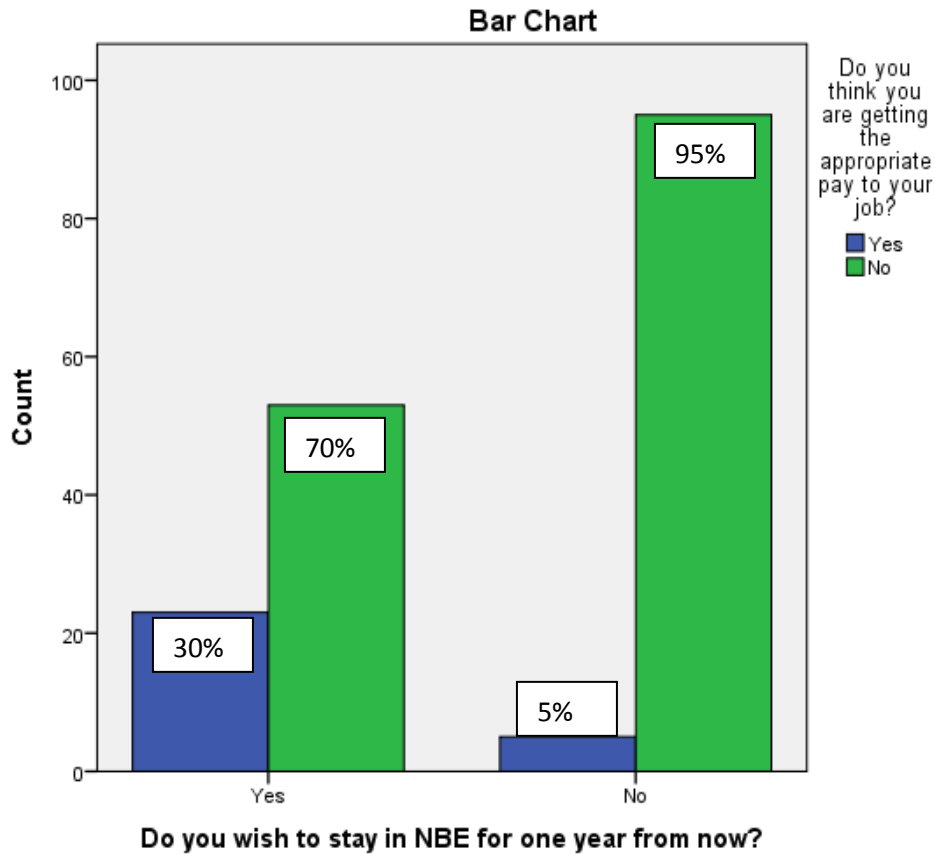
Source: Questionnaire-2016

According to the table 8, only 23(13.1%) of the respondents are satisfied on the amount of payment they get. However, most 153(86%) of respondents are dissatisfied with the amount of payment they get.

Therefore, both results shows that most of the employees of NBE are not satisfied with the amount of payment they get as concluded by several literatures payment dissatisfaction is

major trigger for the turnover the following barograph also shows relationship of the payment scale dissatisfaction with the turnover intention.

Figure 4. 4, Relationship between Pay Scale and Turnover Intention



As depicted in the bar graph, 30% of respondents who believe that they are getting the appropriate pay to their job wish to stay in NBE one year from now but only 5% who claimed the payment is satisfactory wish to leave NBE. However, majority (95%) of respondents who thought as they are not getting the appropriate pay to their job wish to leave NBE as much as possible. According to Tamkeen, &Seema, (2013),“Employees’ satisfaction with their pay is a function of the discrepancy between employees’ perception of how much pay they should receive and how much pay they actually receive. If these perceptions are equal, then an employee is said to experience pay satisfaction. It is not surprising that salary or wages as measures of pay level consistently have been shown to influence pay satisfaction, employee turnover, turnover intention and its relationships to pay satisfaction and organizational commitment is a topic of global interest”. The bank’s HRMD also believed that the pay scale of the bank is lowest than private commercial

banks therefore the bank’s professional employee resigned and move to other banks and organizations who have the better payment scale. The majority of the exit interview reason also elucidate this reason. Therefore, it can be concluded that the pay dissatisfaction of the employees has significant influence on the turnover intention of NBE’s professional employee.

4.4.3. Employee/ Manager Relationship

Table 4.10, Managers at NBE on Keeping Employees Informed

Response	1	2	3	4	5	Total
	F	F	F	F	F	
	%	%	%	%	%	
Changes to the way the organization is run	36	45	35	53	7	176
	20.5	25.6	19.9	30.1	4	100
Changes in staffing	35	53	28	55	5	176
	19.9	30.1	15.9	13.3	2.8	100
Financial matters including budgets	28	54	41	38	15	176
	15.9	30.7	23.3	21.6	8.5	100

F= Frequency, 1= Very poor, 2=Poor, 3=Neutral, 4=Good and 5=Very good

Source: Questionnaire-2016

As per the above 36(20.5%), 35(19.9%), and 28(15.9%) of respondents are strongly disagree on managers at NBE at keeping of employees informed on changes to the way the bank run, changes in staffing and financial matters including budget respectively. 45(25.6%), 53(30.1%), 54(30.7%) of respondents also disagree on managers at NBE at keeping employee informed on changes to the way the organization run, changes in staffing and financial matters including budgets respectively. The others 35(19.9%), 28(15.9%) and 41(23.3%) of the respondents are neutral on whether the information provided by the NBE managers or not. However, the rest 53(30.1%), 55(13.3%) and 38(21.6%) of respondents agree and 7(4%), 5(2.8%) and 15(8.5%) of respondents strongly agree on managers of NBE at keeping employee informed on changes to the way the organization run, changes in staffing and financial matters including budgets respectively. Thus this result shows that,

most of the respondents thought managers of NBE are not good at keeping employees informed on the changes takes place in the bank as a result this may lead the employees to dissatisfaction and feeling of not recognized for the bank’s achievement.

Table 4.11, Level of Respondent Agreement Regarding to Managers at NBE-1

Response	1	2	3	4	5	Total
	F	F	F	F	F	
	%	%	%	%	%	
Deal with employees honestly	31 17.6	43 24.4	37 21	50 28.4	15 8.5	176 100
Encourage people to develop their skills	25 14.2	50 28.4	39 22.2	46 26.1	16 9.1	176 100
Treat employees fairly	46 26.1	38 21.5	36 20.5	44 25	12 6.8	176 100

F= Frequency, 1= Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly A.

Source: Questionnaire-2016

As depicted in the table 31(17.6%), 25(14.2%), 46(26.1%) of respondents are strongly disagree and 43(24.4%), 50(28.4%) and 38(21.5%) respondents are disagree on the statements of managers at dealing with employees honestly, encouraging people to develop their skills and treating of employees fairly respectively. The others, 37(21%), 39(22.2%) and 36(20.5%) of respondents said that they are neutral on the above issues. In the contrary, 50(28.4%), 46(26.1%) and 44(25%) of respondents agree and 15(8.5%), 16(9.1%) and 12(6.8%) of the respondents are strongly agree about managers of NBE at dealing with employees honestly, encouraging people to develop their skills and treating of employees fairly. Therefore, it is shows that most of the respondents disagreed on managers of NBE at dealing with employees honestly, encouraging them to develop their skills and the fairness of the treatment applied to all employees.

Table 4.12, How the Respondents Level Managers at NBE-2

Response	1	2	3	4	5	Total
	F	F	F	F	F	
	%	%	%	%	%	
Seeking the views of employees	33 18.8	62 35.2	37 21	39 22.2	5 2.8	176 100
Responding to suggestions from employees	35 19.9	68 38.6	36 20.5	33 18.8	4 2.3	176 100
Allowing employees to influence final decision	51 29	66 37.5	29 16.5	28 15.9	2 1.1	176 100
Overall how would you describe relationship between managers and employees at NBE	23 13.1	60 34.1	39 22.2	46 26.1	8 4.5	176 100

F= Frequency, 1= Very poor, 2=Poor, 3=Neutral, 4=Good and 5=Very good

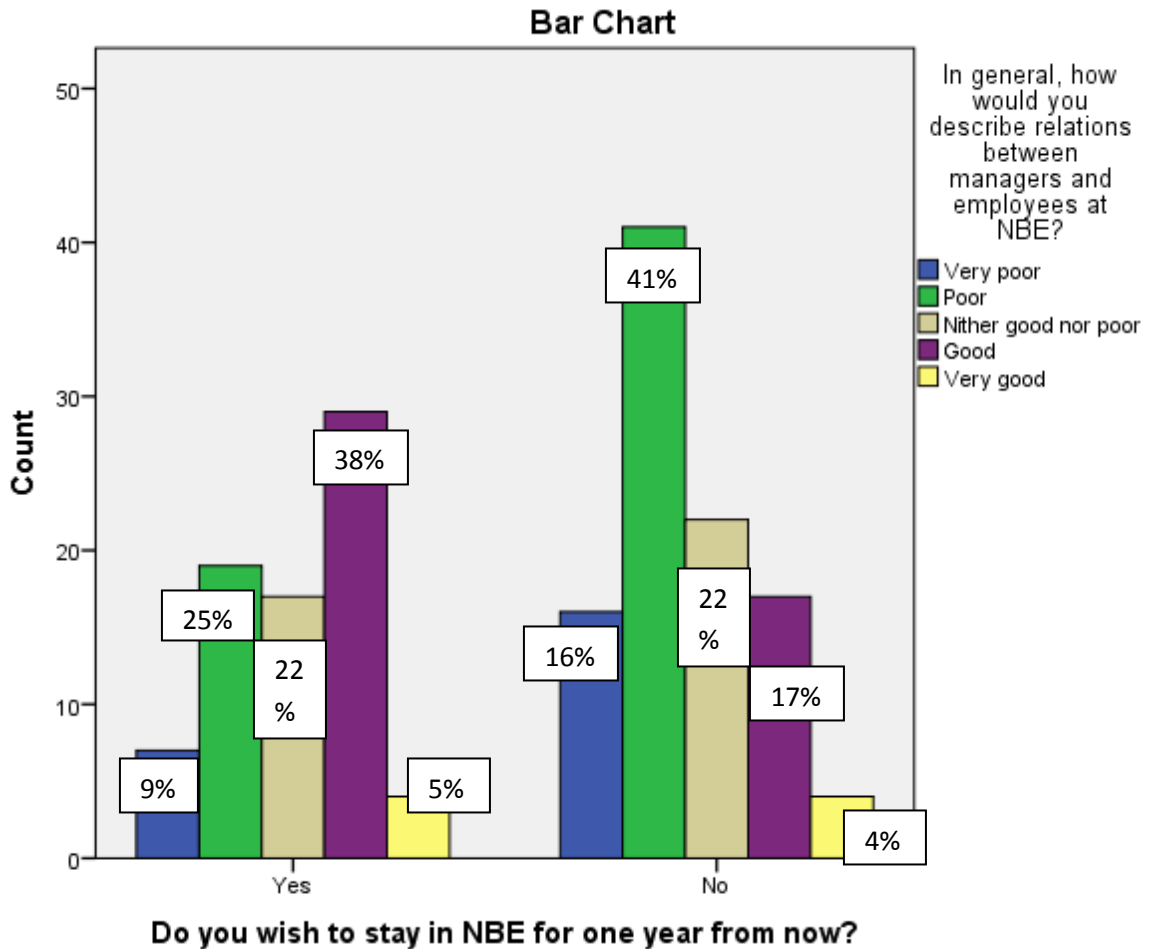
Source: Questionnaire-2016

Based on the summary of the above table 33(18.8%), 35(19.9%) and 51(29%) of the respondents labeled them very poor and 62(35.2%), 68(38.6%) and 66(37.5%) of the respondents labeled managers poor on seeking of the views of employees, responding to suggestions from employees and allowing employees to influence final decision of the management respectively. Moreover, 37(21%), 36(20.5%) and 29(16.5%) of respondents are said that they are neutral on managers of NBE at seeking the views of employees, responding to suggestions from employees and allowing employees to influence the financial decision. In the other side, 39(22.2%), 33(18.8%) and 28(15.9%) of respondents labeled managers of NBE good and 5(2.8%), 4(2.3%) and 2(1.1%) said very good on seeking the views of employees, responding to suggestions from employees and allowing employees to influence the financial decision respectively.

As a result, most 60(34.1%) of respondent believed that employee managers relationship in NBE is poor, 46(26.1%) of respondents also said that employee managers relationship of the bank is good and 39(22.2%) of respondents are neutral or they said employee managers

relationship in NBE is neither poor nor good. So, it can be concluded that most of the respondents labeled managers poor in the relationship created with employees and participating of employees on decision making which is indicated by several literatures as cause of turnover. Thus, the relationship between employee manager relationship with the turnover intention depicted in the below barograph;

Figure 4.5, Relationship between Employee/Manager Relationship with Turnover Intention



According to Amy, (2015), “poor relationships with co-workers and management can cause many people to fear going to work each day. A recent study shows this fear is probably happening more than most people may realize”. The above relationship also shows that, majority(41%) of respondents who claimed “poor” to the relationship between managers and employees of NBE do not wish to stay in NBE one year from now. Besides, 22% and 16% of respondents who said “neither good nor poor” respectively want to leave NBE within one year. In the other side 17% and 4% of respondents who labeled the

employee-manager relationship “good” and “very good” also wish to live NBE. However, 38%, 25%, 22%, 9% and 5% who labeled the employee-manager relationship, “good”, “poor”, “neither poor nor good”, “very poor” and “very good” respectively wish to stay in NBE one year from now. Therefore, the overall relationship between employee-manager relationship and turnover intention indicates that poor employee-management relationship can be a factor for the turnover intention of NBE professional employees. Moreover, Amy (2015) claims that “the friction between management and staff not only manifests itself in poor attitudes and morale, it can have a deleterious effect on a company’s productivity and revenue”.

4.4.4. Work Environment

Table 4.13, Respondents Agreement level how they joined to NBE

Response	1	2	3	4	5	Total
	F	F	F	F	F	
	%	%	%	%	%	
I have joined NBE because of government assignment	33 18.8	28 15.9	22 12.5	57 32.4	36 20.5	176 100
I was motivated to join NBE for gain of experience	9 5.1	23 13.1	19 10.8	74 42.00	51 29	176 100
I was motivated to join NBE because of the salary scale	59 33.5	63 35.8	30 17	18 10.2	6 3.4	176 100
I was motivated to join NBE because I thought NBE has good opportunity for training and development	21 11.9	40 22.7	30 17	56 31.8	29 16.5	176 100
I was motivated to join NBE because I did not have any other job	63 35.8	47 26.7	26 14.8	25 14.2	15 8.5	176 100

F= Frequency, 1= Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly A.

Source: Questionnaire-2016

The above table summarizes what motivates employees to join NBE. The extent to which employees agree or not that they were motivated to join the bank for gain of experience, majority 74(42%) and significant 51(29%) of respondents claimed it to be " Agree" and " Strongly Agree" respectively. When asked to what extent respondents agree or disagree that they were motivated to join NBE because of the government assignment,57(32.4%) and 36(20.5%) of respondents claimed to " Agree" and " Strongly Agree" respectively.

Regarding to respondents who were asked if they were motivated to join NBE because they thought the bank has good training and development opportunity the majority56(31.8%) and 29(16.5%) of respondents said " Agree" and " Strongly Agree" respectively. When asked to what extent respondents agree or disagree that they were motivated to join NBE because of the salary scale the majority 63(35.8%) and 59(33.5%) of respondents said " Disagree" and " Strongly disagree" respectively.

Therefore, it can be concluded that majority of the respondents were motivated to join NBE to gain experience, because of government assignment and because they thought the bank has good training and development opportunity respectively.

Table 4.14, Respondents Expectation after Joining NBE

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	47	26.7	26.7
	No	129	73.3	100.0
	Total	176	100.0	

Source: Qyestionnaire-2026

As indicated in table majority 129(73.3%) of respondents thought that their expectations are not met after joining NBE and the remaining 47(26%) of respondents in the contrary thought that their expectation for joining NBE was met. However, Reponses clearly shows thatmost of the respondents are dissatisfied because of the difference in what they expected and what the they actually experienced after joining the bank. A major cause of job dissatisfaction, and hence of high staff turnover, is the experience of having one'shigh hopes of new employment dashed by the realization that it is not going to be asenjoyable or stimulating as anticipated(Derek, et, al, 2008).

Table 4.15, The Provision of Training Based on the Skill Gap of Respondents

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	85	48.3	48.3
	No	91	51.7	100.0
	Total	176	100.0	

Source: Questionnaire-2016

As shown in the table, 85(48%) of the respondents said that the bank has provided them training by identifying their skill gap. But the majority 91(51.7%) of respondents replied that NBE has not provided them trainings by identifying their skill gap. This shows that the respondents are not capacitated enough to easily and undertake the job they are assigned for.

Table 4.16, Respondents Agreement Level about Working in NBE-1

Response	1	2	3	4	5	Total
	F	F	F	F	F	
	%	%	%	%	%	
I share many of the values of NBE	8	14	49	90	15	176
	4.5	8	27.8	51.1	8.5	100
I feel loyal to NBE	7	17	28	85	39	176
	4	9.7	15.9	48.3	22.2	100
I am proud to tell who I worked for	14	28	32	74	28	176
	8	15.9	18.2	42	15.9	100
I feel I belong to a Team	7	19	38	86	26	176
	4	10.8	21.6	48.9	14.8	100

F= Frequency, 1= Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree

Source: Questionnaire-2016

As indicated in table regarding with sharing of the values of NBE, majority 90(51.1%) of respondents said that strongly agree and 15(8.5%) of respondents are agree. Regarding to what extent that respondents agree or disagree to feeling loyal to NBE, the majority

85(48.3%) and 39(22.2%) of respondents claimed to "Agree" and "Strongly agree" respectively. When asked to what extent respondents agree or for being proud of telling who they worked for, the majority 74(42%) and 28(15.9%) said " Agree" and " Strongly agree" respectively. Regarding to the feeling of belongingness in a team the majority 86(48.9%) and 26(14.8%) of respondents claimed to "Agree" and "Strongly agree" respectively. Thus, the total result shows that most employees share the value of NBE, feel loyal to the Bank, proud to tell who they worked for and also feel belongingness to the team they are working with which is adding to the effectiveness of the bank.

Table 4.17, Respondents Agreement Level about Working in NBE-2

Response	1	2	3	4	5	Total
	F %	F %	F %	F %	F %	
The bank has provided a clear path for all employees career advancement	22 12.5	58 33	52 29.5	39 22.2	5 2.8	176 100
The bank has provided a better training and opportunity for all employees	27 15.3	57 32.4	46 26.1	35 19.9	11 6.3	176 100
Management recognize employees for their contribution	28 15.9	54 30.7	48 27.3	40 22.7	6 3.4	176 100
Communication system with management is properly laid down	21 11.9	66 37.5	49 27.8	36 20.5	4 2.3	176 100
Disciplinary procedures are properly arranged	13 7.4	31 17.6	57 32.4	60 34.1	15 8.5	176 100
Dispute/grievance handling mechanisms are good	23 13.1	44 25	63 35.8	40 22.7	6 3.4	176 100
Will continue to next page						

Continued from previous page						
The period between pay raise is reasonable	31 17.6	51 29	45 25.6	44 25	5 2.8	176 100
All necessary fringe benefits are provided in NBE(e.g. health insurance, transport allowance, different types of loans etc.)	35 19.9	47 26.7	23 13.1	60 34.1	11 6.3	176 100

F= Frequency, 1= Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly A.
Source: Questionnaire-2016

As summarized in the table, respondents were asked to express their level of agreement on items that were listed. Regarding to that management has provided clear path for career advancement 22(12.5%) and 58(33%) of the respondents respectively claimed to " Strongly disagree" and "Disagree" respectively and 52(29.5%) of the respondents are neutral or do not know about the provision of clear path for career advancement. When the respondents asked to express the level of agreement they have on the provision of on a better training and development opportunity for all employees, 27(15.3%) and 57(32.4%) of respondents are claimed to "Strongly disagree" and "Disagree" respectively and also the others 45(26.1%) of respondents are neutral on either the bank provided the training and development opportunity or not so that, most respondents disagreed or said that the bank has not providing better training and development opportunity for all employees equally. Regarding to what extent management recognizes employees for their contribution, 28(15.9%) and 54(30.7%) of respondents claimed to "Strongly Disagree" and "Disagree" respectively in this statement most of the respondents expressed their level of disagreement. With regard to the communication system with the management being properly laid down, majority 66(37.5%) and 21(11.9%) of the respondents claimed to "Disagree" and "Strongly Disagree" respectively. Regarding to what extent respondents agree or disagree on the proper arrangement of disciplinary procedures majority 60(34.1%) and significant 57(32.4%) of respondents claimed "Agree" and "Neutral" respectively and also regarding to dispute/grievance handling mechanisms majority 63(35.8%) and significant 44(25%) of respondents claimed "Neutral" and "Agree" thus the result shows

there is lack of communication to enhance the awareness of the staff on the procedures of disciplinary, grievance/dispute handling. Regarding to the pay/salary incremental period reasonableness the majority 51(29%) of respondent expressed their disagreement. However the majority 60(34.1%) of respondents Agreed on the provision of all necessary fringe benefits(e.g. health insurance, transport allowance, different types of loans etc.) but the others 47(26.7%) of respondents expressed their disagreement.

Table 4.18, Respondents Feeling on the Amount of Involvement they have in Decision Making

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Very dissatisfied	25	14.2	14.2
	Dissatisfied	50	28.4	42.6
	Neither satisfied nor dissatisfied	54	30.7	73.3
	Satisfied	44	25.0	98.3
	Very satisfied	3	1.7	100.0
	Total	176	100.0	

Source: Questionnaire-2016

As indicated in table , 25(14.2%) and 50(28.4%) of respondents claimed to “Very dissatisfied” and “Dissatisfied” respectively on their involvement in decision making. In the contrary, 44(25%) and 3(1.7%) of respondents said they are “Satisfied” and “ Very satisfied” on the amount of involvement they have in decision making. However, majority 54(30.7%) of the respondents are neither satisfied nor dissatisfied on their involvement of decision making which shows that most respondents are not that much interested to be involved in decision making or not.

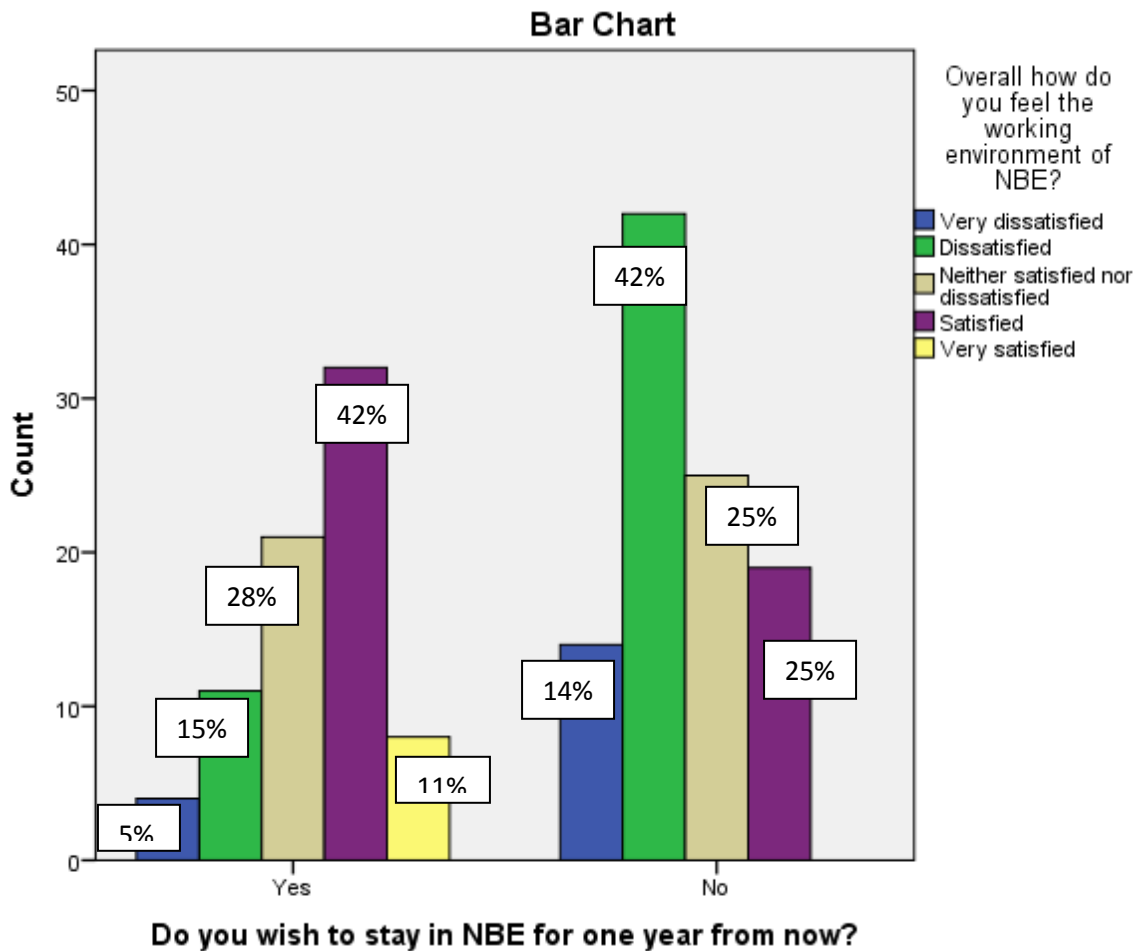
Table 4.19, Satisfaction Level of the Respondents in Working Environment of NBE

Response		Frequency	Valid Percent	Cumulative Percent
Valid	Very dissatisfied	18	10.2	10.2
	Dissatisfied	53	30.1	40.3
	Neither satisfied nor dissatisfied	46	26.1	66.5
	Satisfied	51	29.0	95.5
	Very satisfied	8	4.5	100.0
	Total	176	100.0	

Source: Questionnaire-2016

Regarding to what extent respondents agree or disagree on the overall working environment of the Bank majority 53(30.1%) of respondents being dissatisfied and significant 51(29%) of respondents claimed to “Satisfied”. The remaining 46(26%) of respondents are neither satisfied nor dissatisfied. As a result, despite significant number of employees said satisfied on the working environment of NBE the majority are dissatisfied this dissatisfaction also can lead employees to turnover. Moreover Alfes, Shantz, Truss, and Soane, (2013) claimed that “engaged employees who perceive they have low organizational support were less likely to stay with the organization. The following relationship graph also shows that the interrelatedness of work environment satisfaction with turnover;

Figure 4.6, Relationship between Work Environment and turnover Intention



According to Wood and Wall; Gustaffson and Szebehely,; Sell and Cleal (2007; 2009; 2011), measures often used to capture work environment are those that indicate aspects of employee participation in the workplace, such as how much control employees have over their work, and include flexibility in how and when tasks are carried out(as cited in Ray , Katherie& Don, 2012). However, as shown in the above bar chart 14%, 42 %, 25% and 19% of respondents claimed the working environment of NBE to “Very dissatisfied”, “Dissatisfied”, “Neither satisfied nor dissatisfied” and “Satisfied” respectively also wish to leave the bank within one year from now. From this it can be said that when employees become dissatisfied with the working environment their intention for turnover will be high.

4.4.5. The Reasons Provided by the Existing Professional Employee for intending to Turnover

Table 4.20, The Reason For the Intention of Respondents to Leave NBE

Response	1	2	3	4	5	System missing	Total
	F %	F %	F %	F %	F %		
Poor Compensation System	1 .6	1 .6	8 4.5	50 28.4	40 22.7	76 43.2	176 100
Poor leadership and communication system	3 1.7	7 4	21 11.9	33 18.8	36 20.5	76 43.2	176 100
Poor career advancement opportunity	1 .6	7 4	18 10.2	39 22.2	35 19.9	76 43.2	176 100
Job Dissatisfaction	7 4	16 9.1	17 9.7	27 15.3	33 18.8	76 43.2	176 100
Seek of better job opportunity	5 2.8	6 3.4	12 6.8	29 16.5	48 27.3	76 43.2	176 100
Low social and interpersonal relationship	8 4.5	13 7.4	37 21	23 13.1	19 10.8	76 43.2	176 100
Lack of feeling of belongingness in NBE	7 4	23 13.1	29 16.5	22 12.5	19 10.8	76 43.2	176 100

F= Frequency, 1= Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly A.

Source: Questionnaire-2016

When those employees do not wish to stay in NBE asked their reasons to leave the bank , 50(28.4%), 33(18.8), 39(22.2%) 27(15.3%), 29(16.5%), 23(13.1%) and 22(12.5%) of respondents agreed on the reason poor compensation system; poor leadership and communication system; poor career advancement opportunity, job dissatisfaction, seek of better job opportunity; low social and interpersonal relationship and lack of belongingness in NBE respectively. The others 40(22.7%), 36(20.5%), 35(19.9%), 33(18.8%), 48(27.3%), 19(10.8%) and 19(10.8%) also strongly agree on the reasons; poor compensation system;

poor leadership and communication system; poor career advancement opportunity, job dissatisfaction, seek of better job opportunity; low social and interpersonal relationship and lack of belongingness in NBE respectively. Besides, based on the request provided for the respondents to specify if they have any other additional reasons: lack of respect for employees; discrimination and partiality in job assignment, appraisals, training opportunity and promotion; absence of labor union in the bank to request the right in organized way;

The above analysis shows that the dissatisfactions are trigger for the turnover (March and Simon, 1993) also said that establishing some propositions that explain employees' decisions to 'withdraw' from organizations can be a reason for employees to leave if they perceive that leaving is desirable when there are other satisfactory alternatives. Also the low and incompetent payment scale will cause high dissatisfaction on employees specially employees those are competent and skilled in their profession Moreover, Aguenza&Som(2012) concluded that “ financial reward is one of the basic types of extrinsic monetary rewards which comprise the basic needs of income to survive (to pay bills), a feeling of stability and consistency (the job insecure), and recognition (my workplace values my skills)”(Cited on Ali, 2015).

4.5. NBE's Practice on Managing Professional Employee Turnover

As understood from the interview undertaken with the human resource Management Directorate the bank has awareness on the turnover of employee as general but has not identified by categorizing professional and non-professional. The HRMD also indicated, currently the bank is losing experienced and professional employees. Even though, the bank has not been calculating the turnover cost in monetary wise it has faced difficulties in losing of experienced staff. As stated by the HRMD the bank has faced to problem of getting experienced and competent staff in some key managerial positions then obliged to assign acting managers on the positions. When asked the practice of managing the turnover, HRMD said that benefits and compensation package and other incentive mechanisms are not specifically employed to retain best and talented employees. However, there are no magnificent difficulties with working environments, employee manager relationship, existence of equal opportunities for promotion, career development, grievance handling mechanisms and others job

assignment of the organization. And also the directorate indicated that, “salary and other benefit packages of the bank are relatively better than other civil service organizations but not comparable with the financial institution. With regard to performance based payment the bank provide bonus annually for those their performance appraisal result is more than satisfactory. But the HRMD stated that currently the bank has not established a mechanism to retain best employees other than using previously established benefit package. With regard to managing uncontrollable turnover the bank has the initiative to prepare and implement succession plan for every key positions.

CHAPTER FIVE

SUMMARY, CONCLUSION and RECOMMENDATIONS

5.1. Summary

The Summary of the findings made based on the review of related literatures, results of statistical analysis and discussions of findings. The main objective of this study was to assess professional employee turnover and its management in National Bank of Ethiopia because the NBE is different from other financial institution because it had vital responsibility of the country in order to maintain price and exchange rate stability and for the establishment of sound financial system. In this case the bank expected retain professional employees who can contribute to the accomplishment of its mission. However, the result from data analysis shows that:

- The bank's overall turnover rate showed decreasing rate from budget year 2012/13-2014/15. However the decreasing rate is not persistent in the directorate level /work units/. And also professions like Bank Examiner, Internal Audit and Risk Management Officer, Information System Expert, Procurement Officer and legal expert are observed more exposed to turnover;
- The professional employees of the bank have the intention to turnover because when asked about their wish in staying NBE most of the respondents among the sample of 176 taken do not wish to stay in NBE at least one year from now;
- With regard to factors affecting the turnover intention, pay scale, employee manager relationship, work environment and job satisfaction respectively have the contributions for the National Bank of Ethiopia professional Employee turnover;
- The reasons provided by the existing professionals turnover intention were also the poor compensation system, poor leadership and communication system; poor career advancement opportunity; job dissatisfaction; seeking of better job opportunity; low social and interpersonal relationship;lack of belongingness of employees; partiality in job assignment, unfair appraisals, unfair training opportunity and promotion and absence of labor union;

- In order to managing the turnover the HRMD collect feed-back from exit interview, started initiative of succession planning for uncontrollable turnover but has not established mechanisms to retain the best employees by assessing the needs of the professional staffs.

5.2. Conclusion

The main objective of this thesis is to assess the professional employee turnover and its management focused on voluntary turnover of NBE. Because it is found that involuntary turnover is not significant comparing to voluntary turnover, in addition, for several years, voluntary employee turnover has received considerable attention in different researches because of its association with many kinds of financial cost and hidden negative outcomes. To undertake the study both primary and secondary data sources were used, standard and structured interview employed to collect the views of the bank's existing professional employees and the Human Resource Management Directorate. The collected data also have been analyzed thoroughly using percentage and frequency which were appropriate data analysis mechanisms for this study. On the basis of data analysis, discussions and summary made so far, it can be concluded that National Bank of Ethiopia has the challenge of losing trained and professionally capable staffs because the result of the survey shows that most of the respondent have the intention to quit their job. The major reasons for the turnover and the intention to turnover were, payment scale dissatisfaction and poor compensation and benefit package, poor communication, leadership and employee manager relationship, inadequate career advancement opportunity, job dissatisfaction, dissatisfying working environment and the seeking of better job opportunity respectively.

5.3. Recommendations

Based on the findings and conclusions of the study the following recommendations are suggested to reduce turnover and increase retention of the NBE's professional employees:

- ✚ Currently the bank wide professional employee turnover rate showed a decreasing rate than previous years with the rate of 5 times greater than the non-professional employee turnover and the decreasing rate exactness is not also observed in all work units consistently. Therefore, the bank should give emphasis on setting of

retention mechanism specifically focusing on the professional employees need and also based on their professional competency.

- ✚ The bank undertake only exit-interview to understand the reasons of employees for leaving the bank but beside undertaking the exit interview stay interview shall be conducted to find out what the employees are dissatisfied with and to consistently give solutions for the staff dissatisfaction;
- ✚ In order to control the uncontrollable turnover the bank need to identify and develop potential successors for key managerial and professional positions using coaching, mentoring and knowledge sharing mechanisms between the professional employees;
- ✚ The bank should implement strong talent acquisition and retention system through hiring talented and quality employees and retaining that top talent because the success of bank may depend on high retention rates when it consider the costs of employee turnover. Failure to retain talented professional staff increase the cost and has negative effect on employee morale that leads to lower productivity as vacancies arise;
- ✚ The bank should apply better and competitive salary and compensation package which can be comparative to other financial institutions of the country because the path to commercial banks from NBE is very easy unless NBE established better compensation package for its professional employees besides by establishing better compensation package the bank can also attract and acquire competent staff for the accomplishment of its mission;
- ✚ Currently the bank has no formal employees representative but it is better to have it since it contributes for employees to solve problems they face at working environment;
- ✚ The leadership and communication system should be improved by capacitating managers of the bank with the leadership skill and by establishing the communication line from down-to-upward asking the suggestions of employees and participating those professional employees in decision making; Create opportunities for the leaders to spend time together with employees in discussing goals, sharing success stories and providing feedback that reinforces the mission, vision and values of the bank; and

- ✚ To make the professional employees satisfied on their job the bank should firstly assign employees based on their competency then provide consistent skill gap training and provide recognition and reward for the successful accomplishments of assignments,
- ✚ The bank also need to have clear career path for the career advancement of competent professional employees if there is the absence of career advancement opportunity the employees will not be encouraged to stay in the bank; and
- ✚ The work environment also has effect on employees to stay or to leave. Therefore, the bank should create welcoming, participative, and comfortable to learn.

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APPENDICES'

Appendix-1

Professional Employee Turnover Trend from July, 2012 to June, 2015

Source: National Bank of Ethiopia List of Resigned Employee-HRMD

S.N	Profession/position	Directorate	Voluntarily resigned staff in 2012/13	Voluntarily resigned staff in 2013/14	Voluntarily resigned staff in 2014/15	Total
1	Bank Examiner	BSD	6	8	5	19
2	Credit Information clerk	BSD	1	0	0	1
3	Banking service officer	PSSD	3	3	1	7
4	Internal control officer	PSSD	0	0	1	1
5	Payment and Settlement officer	PSSD	1	0	0	1
6	Editor in-chief	CPCMD	1	0	0	1
7	women's Affair expert	CPCMD	0	0	1	1
8	Change management & communication	CPCMD	0	1	0	1
9	Public Relation Officer	CPCMD	1	1	0	2
10	Internal Audit and risk Management experts	IARMD	11	2	5	18
11	Insurance Examiner	ISD	5	4	1	10
12	Planning and Finance officer	CFD	4	0	1	5
13	Procurement officer	PSMD	0	9	0	9
14	Finance Officer	PSMD	2	0	1	3
15	Property Administration Officer	PSMD	1	1	0	2
16	Research officer	MFAD	1	1	0	2

17	Director	MFAD	1	0	0	1
18	Legal Service Officer	LSD	2	0	1	3
19	Legal Expert	LSD	1	0	0	1
20	Research officer	EMSAD	1	1	0	2
21	Information technology experts	ISMD	6	3	3	12
22	Human resource officer	HRMD	0	2	0	2
23	Internal control Officer	HRMD	1	0	0	1
24	Internal control Officer	CMD	1	0	0	1
25	Electrical Engineer	CMD	0	1	0	1
26	Mechanical Engineer	CMD	0	1	1	2
27	Currency management officer	CMD	1	3	0	4
29	Research officer	EEAIRD	1	0	3	4
30	Microfinance Examiner	MFISD	1	1	1	3
31	Foreign exchange Inspector	FERMD	1	3	2	6
32	Fund and Risk management officer	FERMD	1	0	0	1
33	Dealer	FERMD	1	0	1	2
34	Director	DEAPD	1	1	1	3
35	Executive Secretary	Government office	0	0	1	1
Total			57	46	30	133

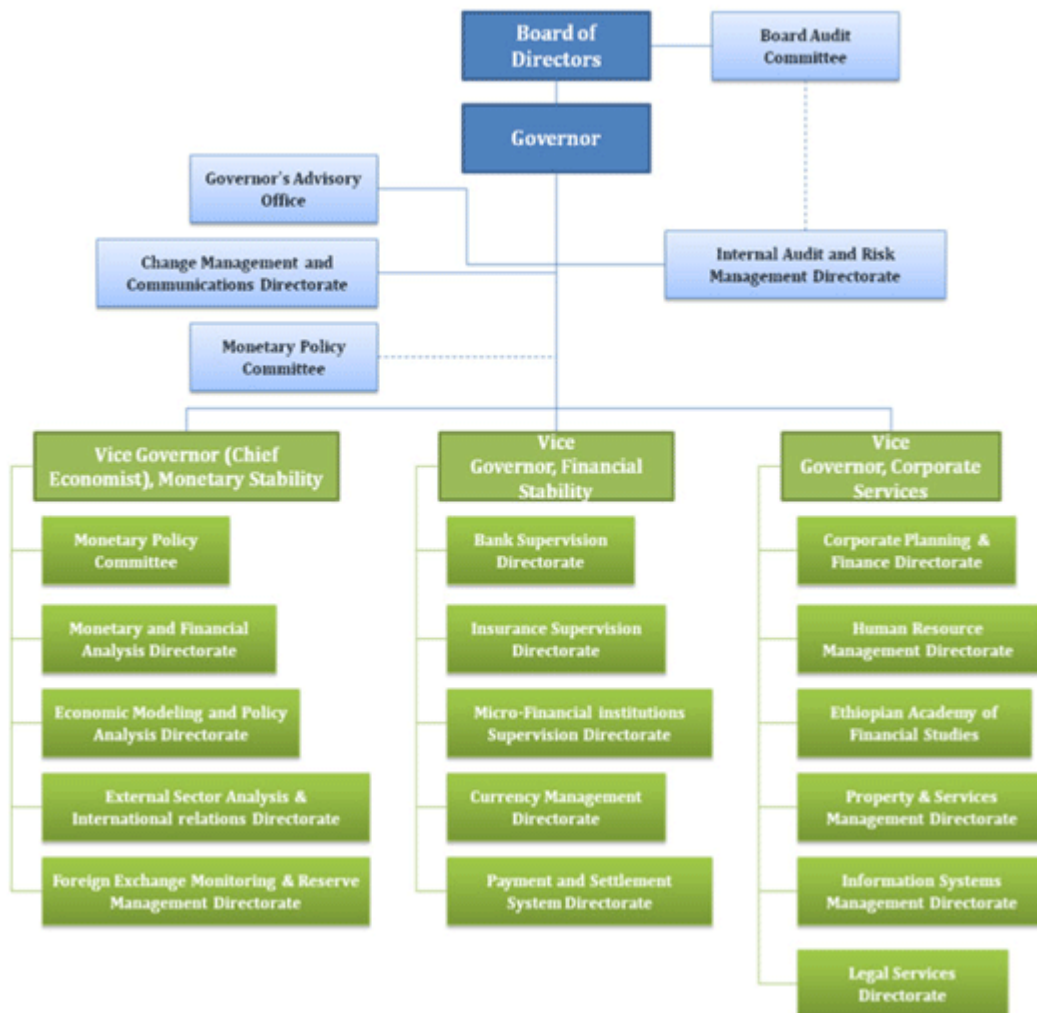
Appendix-2 National Bank of Ethiopia Vision, Mission and Organizational Structure

VISION OF THE BANK

To be one of the strongest and most reputable central banks in Africa.

MISSION OF THE BANK

To maintain price and exchange rate stability, to foster a sound financial system and undertake such other functions as are conducive to the economic growth of Ethiopia.



Appendix-3 Questionnaire 2016



St. Mary's University School of Graduate Studies

Questionnaire for the Professional Employees of National Bank of Ethiopia

Dear Sir/Madam,

I am a Masters student at St. Mary's University School of Graduate Studies. In partial fulfillment of the requirements for Master of Arts in Business Administration in General Management, I am conducting a research on the title **Assessment of Professional Employee Turnover and its Management** in the case of National Bank of Ethiopia.

I am glad to inform you that you have been selected to contribute your part to the study. I would kindly request you for assistance in completing the attached questionnaire which forms a major input of the research process. The information will strictly be used for academic purposes only and will be treated confidential. Your cooperation will go a long way in ensuring the success of this project. I would like to thank you in advance for your time and consideration.

Please feel free to contact the researcher for further enquiry through:

Mobile: 0913693415

Email: buzetsegaye79@gmail.com

Instruction:

Please put a tick “√” mark for those questions that are followed by choices and write your short and precise answers for those followed by blank spaces. As an important input of this study your frank response is greatly appreciated.

1. BACKGROUND INFORMATION

1.1. Your age Group

Below 25 25 – 30 31 - 35 Above 35

1.2. Sex

Male

Female

1.3. Qualification

BSc/BA/LLB

MSc/MA/LLM

PhD

1.4. How many years in total have you worked in NBE?

Less than 1 Year 1 - 2 years 3 - 5 years 6 - 10 years

More than 10 years

1.5. Years of service on your current position

Less than 1 Year 2 to 5 years More than 10 years

1 to 2 years 6 to 10 years

2. ABOUT YOUR JOB

2.1. Are you satisfied with the sense of achievement you get from your work?

Yes

No

2.2. If your answer is NO, why is it?

Job is Uninteresting

My supervisor do not recognize my achievement

I feel that what I contribute is less I feel that I am not contributing to NBE's Objective

There is no performance based promotion system

Other please specify

.....
.....
.....

2.3. Did you receive information as to your job, objective and mission, etc during recruitment?

Yes

No

2.4. How secure do you feel in your job ?

Highly Secure Secure Insecure

2.5. Do you think you are getting the appropriate pay to your job?

Yes No

2.6. Are you satisfied with the amount of pay you get?

Yes No

2.7. To what extent do you agree or disagree with the following statements about joining NBE?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I have joined NBE because of government assignment					
I was motivated to join NBE for gain of experience					
I was motivated to join NBE because of the salary scale					
I was motivated to join NBE because I thought NBE has good opportunity for training and development					
I was motivated to join NBE because I did not have any other job					

2.8. After joining NBE, were your expectations met?

Yes No

2.9. How well do the work skills you personally have match the skills you need to do your job?

My own skills are:

Much lower A bit lower About the same A bit higher

Much higher Not in correspondence with the job

2.10. Has NBE had ever provided you with any training by identifying your skill gap?

Yes No

3. ABOUT THE MANAGEMENT AND EMPLOYEE MANAGER RELATIONSHIP

3.1. How good would you say managers at NBE are at keeping employees informed about the following?

	Very Poor	Poor	Neutral	Good	Very Good
Changes to the way the organization is run					
Changes in staffing					
Financial matters including budgets					

3.2. To what extent do you agree or disagree with the following regarding to Managers at NBE

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Deal with employees honestly					
Encourage people to develop their skills					
Treat employees fairly					

3.3. How good would you say managers at NBE are at?

	Very Poor	Poor	Neutral	Good	Very Good
Seeking the views of employees					
Responding to suggestions from employees					
Allowing employees to influence final decision					

3.4. In general, how would you describe relations between managers and employees at NBE?

Very poor Poor Neither Good nor Poor
 Good Very good

4. YOUR VIEW ON WORKING IN NBE

4.1. To what extent do you agree or disagree with the following statements about working in NBE?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I share many of the values of NBE					
I feel loyal to NBE					
I am proud to tell who I worked for					
I feel I belong to a Team					

4.2. To what extent do you agree or disagree with the following statements about working in NBE?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The bank has provided a clear path for all employees career advancement					
The bank has provided better training and development opportunity for all employees					
Management recognize employees for their contribution					
Communication system with management is properly laid down					
Disciplinary procedures are properly arranged					
Dispute/grievance handling mechanisms are good					
The period between pay rises is Reasonable					
All necessary fringe benefits are provided in NBE (e.g. health insurance, transport allowance, different types of loans etc.)					

4.3. How satisfied are you with the amount of involvement you have in decision making in NBE?

Very dissatisfied Dissatisfied Neither Satisfied nor Dissatisfied
 Satisfied Very satisfied

4.4. Overall how do you feel the working environment of NBE?

Very dissatisfied Dissatisfied
 Neither Satisfied nor dissatisfied Satisfied Very satisfied

4.5. Do you wish to stay in NBE for one year from now?

Yes No

4.6. If your answer is NO, which of the following reasons motivate you to leave NBE?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Poor Compensation System					
Poor leadership and communication system					
Poor career advancement opportunity					
Job Dissatisfaction					
Seek of better job opportunity					
Low social and interpersonal relationship					
Lack of feeling of belongingness to NBE					

Please specify if you have any other reasons

.....

Appendix-4

Interview

Questions of the Interview will be made with the Human Resource Management Directorate of NBE to assess whether the bank is alert on professional employee turnover, about the turnover rates, causes and costs of the employee turnover, how managing turnover and retention mechanism followed(if any) to reduce the turnover.

1. Do you think professional employees' turnover rate is higher than other non-professional employees?
2. Do you feel that the mobility of skilled manpower from the bank is a serious problem?
3. Do you make exit interview consistently, when employees resign?
4. If yes, why did they leave the bank?
5. Are you applying merit based opportunity for promotion for all employees of the bank?
6. Is there a mechanism to award best performer? If yes is it applicable?
7. Do you feel that the bank has provided adequate compensation for the professional employees compared to the market?
8. Do you measure turnover cost? If you do how much is the estimated cost of turnover?
9. Is there a mechanism provided/ applied for the best employees not to leave the bank?
10. Which directorates are more exposed to turnover? Did you find out the reason?