

## **Acknowledgements**

First and foremost, I thank the Almighty God who has been my strength in all my life and during this process.

I am particularly grateful to my advisor Assistant Professor Shoa Jemal for his useful and constructive comments and suggestions, without which this work would not have been completed successfully.

Last but not least, special thanks goes to my colleagues and family for their assistance, cooperation and their overall support and encouragement.

## **Acronyms and Abbreviations**

ATM: Automated Teller Machine

CBE: Commercial Bank of Ethiopia

CIPD: Charter Institute of Personnel Development

DBE: Development Bank of Ethiopia

ERA: Ethiopian Roads Authority

FDI: Foreign Direct Investment

FX: Foreign Exchange

HR: Human Resources

HRMD: Human Resources Management Department

HRT: Human Resources Transaction

IRA: Internal Revenue Authority

IRC: International Rescue Committee

NBE: National Bank of Ethiopia

NIB: Nib International Bank

NGOs: Non-Governmental Organizations

PA: Performance Appraisal

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## **ABSTRACT**

*The quality of service delivery of any organization depends on the presence of committed and talented employees. Employees are the main sources for organizations in meeting objectives any organizations. Employee turnover is an important and pervasive feature of the labor market. It affects both workers and organizations. This paper looked at the extent of employee turnover, the cause and effect in NIB, the sixth privately owned bank in the country. The research was intended to answer the following basic question: What is the employee turnover rate in NIB? What are the major causes of employee turnover in NIB? Does NIB have employee retention strategy? If so, how effective is it? Both qualitative and quantitative research methods were employed to analyze the data collected. To access the information required both primary and secondary data source were used. Concerning primary data two self-developed questionnaires were prepared and distributed for both current and ex-employees of the organization and analyzed separately. Moreover, interview was conducted with the management of the Humana Resource Transaction. Purposive and simple random sampling techniques were used to select respondent from the ex-employees and current employees, respectively. Finally, employee turnover was assessed and quantified by using 5-point Likert scale method. The employee turnover rates for the first three years of the study were high but has decreased in last two years. The findings show that employee turnover is mainly caused by factors such as: - poor salary scale, better job opportunity elsewhere, and poor management. To tackle the problem of turnover, the researcher propose: - the bank has to set a higher salary scale that makes it competitive with other banks and financial organizations and give Training and Development as much as possible to increase the retention rate through well-developed training programs.*