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St. Mary's University, Ethiopia

**EXAMINING THE EFFECTS OF EMPLOYEES TURNOVER ON
ORGANIZATION PERFORMANCE: THE CASE OF SOME
SELECTED BRANCHES OF DASHEN BANK IN ADDIS ABABA**

*Final Thesis Submitted to Saint Mary's University in Partial Fulfillment of the
Requirements for the Award of the Degree of Master of Marketing management*

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DECLARATION

I declare that this research paper is my original work and prepared under the guidance of AsfawYilma (Ph.D). All the source of material used for this thesis proposal has been duly acknowledged. I further confirm that this thesis proposal has not been submitted either in part or in full to any other higher learning institutions for the purpose of awarding any degree.

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Endorsement

This Is To Certify That *Feseha Wube* Carried Out his Thesis On “Examining The Effects Of Employees Turnover On Organization Performance: The Case Of Some Selected Branches Of Dashen Bank In Addis Ababa” And Submitted In Partial Fulfillment Of The Requirements For The Award Of The Degree Of Masters Of Art In Marketing Management At St. Marry University With My Approval As University Advisor.

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LISTS OF TABLE AND FIGURES

Figure No	Graph Title	Page
Figure1.0	Conceptual framework.....	36
Figure 4.2.1	Rate of turnover in the Bank.....	47
Figure 4.4.2.1	Job dissatisfaction & seeking for a better job opportunity.....	48
Figure 4.4.2.2	Turnover for better salary and Benefits	49
Figure 4.4.2.3:	Turnover because of absence of career development.....	50
Figure 4.4.2.4	Dissatisfaction with working environment.....	51
Figure: 4.4.2.5.	Poor leadership style and supervision... ..	52
Figure 4.4.3.1	Loss of customers.....	56
Figure4.4.3.5.	Decline in the quality of service and product produced.....	58
Figure 4.4.3.8:	High cost of replacement and training and development.....	59
Table 3.0	sample respondents.....	40
Table 4.1.1	Selected Branches of Dashen Bank SC.....	43
Table 4.1.2	General demographic characteristic respondent	44
Table 4.2.2	Disruption or a decline of service delivery.....	57
Table: 4.4.3.3. (A):	Model summary	62
Table: 4.4.3.3. (B):	ANOVA.....	62
Table: 4.5	Measures to reduce or minimize turnover.....	68
Annex 1	Questionnaire	85
Annex 2	Coefficient Table	86
Annex 3	Correlation Table.....	89

ABSTRACT

The purpose of this study was to assess employee turnover and organization performance: the case of some selected branches of Dashen Bank in Addis Ababa. Many researchers have found that in a service rendering company like banks, there are strong relation between employee satisfaction, customer satisfaction and service quality. However, in this area of human resource, employee turnover is a major factor that hinders business's ability to retain customers and provide high-quality customer service. Thus, the study contains the introduction, problem statement and research objectives. The specific objectives this research are identify the major factors causing staff turnover in Dashen Bank, assess employees turnover and the performance of the bank and identify and suggest possible solutions to the bank to mitigate turnover that experiencing currently and retain its employees. It also involved looking through earlier research, documents, text books and journals on related literature previous research works. In addition, the researcher assessed both primary and secondary data. The primary data was collected using self-administered questionnaires with both open and close ended questions. The data was put in appropriate tables and presented in tables and graphs since it is a good way to look at the data and see what happens and make interpretation. The overall findings of the study revealed that employee turnover affects the performance of the Dashen Bank SC, that leads to loss of the most competitive and experienced staff and this influences the organization to incur huge expenditure in recruitment and training of the new employees. The new employees' exhibits low level of effectiveness and efficiency in the execution of the organization job task functions and this lowers the performance of the individual employees that in turn lowers the level of organization productivity. The researcher recommended that care must be taken to reduce or minimize turnover rate as minimum as possible through salary adjustment and benefit package, and creating opportunities for carrier advancement owing to the fact that well experienced employees will stay long in the organization and contribute much for the development in the performance of the bank.

Key words: Employee turnover, Organizational performance, effects of turnover, Bank

Table of Contents

ABSTRACT.....	6
1.1. Background of the Study.....	10
1.2. Statement of the Problem.....	12
1.3. Research Questions.....	13
1.4. Objectives of the Study.....	13
1.4.1. General Objective.....	13
1.4.2. Specific Objectives of the Study.....	14
1.5. Significance of the Study.....	14
1.6. Scope & Limitation of Study.....	15
1.7. Organization of the Study.....	15
REVIEW OF RELATED LITRATURE.....	16
2.1. Introduction.....	16
2.2. Theoretical Literature Review.....	16
2.2.1. Definition of Employee Turnover.....	16
2.2.2. Types of Turnover.....	17
2.2.3. Causes And Influencing Factors That Contribute To Employee Turnover.....	20
2.2.4. Mitigating Strategies of Reducing Employees' Turnover.....	26
2.3. EMPIRICAL LITERATURE REVIEW.....	28
2.4. CONCEPTUAL FRAMEWORK OF THE STUDY.....	35
CHAPTER THREE.....	37
RESEARCH DESIGN AND METHODOLOGY.....	37
3.1. Introduction.....	37
3.2. Profile of the Study Area.....	37
3.3. The Research Strategy.....	37
3.4. Sampling and Sampling Technique.....	39
3.5. Sample Size.....	40
3.1. Sources of Data.....	41
3.2. (a.) Primary Data.....	41
3.3. Data Collection Techniques.....	41
3.4. Data Analysis and Presentation Techniques.....	42

CHAPTER FOUR.....	43
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	43
4.1. DATA PRESENTATION.....	43
4.1.1 Survey Responses Rate of the respondents.....	43
4.1.2 Demographic Characteristics of the respondents.....	45
Educational status of sample respondents	45
Length of service of sample Respondents	45
Marital status	45
4.2 Analysis of the Findings of the Study.....	47
4.2.1 The Existence And Rate of Labor Turnover In The Study Area	47
4.2.2 Respondents Response On Causes Of Employees Turnover	48
4.2.2.1 Job Dissatisfaction & Seeking For A Better Job Opportunity	49
4.2.2.2 For better salary and Benefits	49
4.2.2.3 Absence of career development opportunities	50
4.2.2.4 Absence of Suitable Working Environment	51
4.2.2.5 Poor Leadership style and supervision	52
4.2.2.6 Absence of Monetary Rewards	53
4.2.2.7 Job Scope, Workload & Stresses	53
4.2.2.8 Poor Social And Interpersonal Relationship And Peer Group Relationship	54
4.2.2.9 Absence of Training And Development	54
4.2.3 Respondents response on the effects of employees turnover on organization performance	55
4.2.3.1 Descriptive and explanatory Analysis the effects of employees turnover on organization performance	55
4.2.3.2 Correlation Analysis of employee turnover and organization performance	61
5.1 Possible Mitigating Measures Forwarded By Respondents To Reduce Turnover of Employees	66
CHAPTER FIVE	68
SUMMARY, CONCLUSION & RECOMMENDATION	68
5.1. Summary.....	68
5.3. Recommendation.....	71

ACRONYMS / ABBREVIATIONS

HO.....Head office

DB.....Dashen bank

E.B.....Internet Banking

ATM.....Automated Teller Machine

E-C.....Electronic commerce

HR.....Human resource

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

The success of any business organization depends on its employees, its technology and the type of materials it has. Particularly among these business resources, employees are the most important and very critical to the success or failure of any organization that provide valuable contribution to the enterprise (Akindele, 2007). So it is vital to maintain adequate number of the right sort of employees with appropriate training, qualifications and experience who serve its customers. However, the problem is employee turnover in an organization.

Employee turnover refers to the percentage of staffs that leave an organization over a set period, expressed as a percentage of total workforce numbers (V.Jagun, 2015). The term also is used to include all leavers, both voluntary and involuntary (Armstrong, 2006). Whether turnover is involuntary or voluntary it is very costly and it represents a significant direct cost in terms of recruiting, poor production practices and reduced standards as well as high replacement and training costs(G. Allen2008) and (Hiemstra,1990). It is one of the most persistent and frustrating problems that organization as it has jeopardizes efforts to attain organizational objectives.

According to Fair (1992) there are other costs connected with labour turnover which include separation, recruitment costs, selection costs, hiring costs, relocation expenses, uniforms and lost productivity costs associated with both the unfilled vacancy and the learning curve associated with the new employee. Thus, employee turnover is widely considered organizational issue that has effects on organizational performance, on employee effectiveness and on organizational productivity (Ovidiu-IliutaDobre, 2013). With regard to this, the shared assumption concerning the relationship between turnover rates and organizational performance is that increasing turnover rates is dysfunctional in the sense of being associated with decrements in organizational performance and competitiveness (Asamoah, etal., 2014).

In relation to this, AidahNassazi(2013) and Samuel K. Cudjor (2015) also explained that when an organization loses a critical employee, the effects on innovation, consistency in providing service to customers and timely delivery of services to customers may be negatively affected.

There is need to encourage employees to remain in the organization and to increase productivity beyond that which is at a minimum accepted standard using scarce resources (ILO, 1961), (Kimathi, 2000).

Thus, one major reason of investing much on employees is to improve their skills and competencies this is consistent with the findings of (Dwomoh&Korankye, 2012) which stated that in most cases, employees could not match their skills against the skill demanded by the job. Hence, they advocate that the mechanisms of reducing the rate of turnover in a company rests on the managers through measuring, controlling and minimizing employee separation at all costs since man was considered as the only occupant driver seat of any organizations(Jane E. Ferrie et al.,1999).

Banking industry is one of key players in financial markets operations. It plays an important role in keeping a country's economy and massively contributes for GDP growth of the nation (J.Caruana, 2014). Thus, in today' s high competitive environment of banks, as a service providing organization, high quality of customer services is an essential element for enhancing customer satisfaction and customer loyalty which ultimately leads to improved performance, better profitability and a big market share of the banks(Khadka& Maharjan,2017). Provision of good quality of services, high productivity, and gaining profits are among major goals of an industry including banks (Abbasiet al.2000).

Thus, the achievement of organizational goals and strategy is unlikely without employees' efforts, supports and contributions (Alexander Colvin, 2007). Every bank including Dashen bank provides different services to its customers and continuously strives to capture bigger market shares in the hope for generating more revenue and thus profit in a stiff competitive market environment. However, the dynamic nature of the Banking sectors constitute problem for the employees as it is relatively common to quit the system every year either through voluntary or involuntary means. Thus employees rarely grow with a particular bank in their employment pursuit (Shukla, &Sinha, 2013). Where incoming workers displayed high skills, high initiative and are grounded in knowledge and well educated undoubtedly impact positively on both the employees and the firms' performance (Brown, Garino& Martin, 2007). This is consistent with a study by Glebbeek and Bax (2003) which argues that labour turnover in most cases serves as a

bleeding to the organizations such as leave of less productive employees, termination of bad matches, innovation, and adjustment to market conditions and so on.

From the opposing argument, it can be reasonably agreed that effect of labour turnover on banks performance is like two edged sword that take the path of negative and positive. This is consistent with Justus, Kombo, Murumba and Edwin (2011). Hence, the proposed study aims at examining the effect of employee turnover on the performance of some selected branches of Dashen bank in Addis Ababa.

1.2. Statement of the Problem

In today's business environment, employee turnover has become a serious problem because it brings financial and moral impacts on the organizations scarce resources. It can be harmful to a company's efficiency if skilled workers often leave the organization (Armstrong, 2009). Today, business organizations finding difficulty to retain well performing, experienced, and soundly trained employees as a result of turnover (C.Abdullah, 2017). Thus, the efficiency of many organizations has thus been threatened by huge costs/expenditure incurred on recruitment and selection of new staff to replace the work force gap created by the leaving employees (Premeaux 2000). High employee turnover has become a problem for every organization in general and Banks in particular from the time when well experienced and qualified expertise leaves the position they held (David G. Allen, 2008). Here, effective performance of the bank depends not only on the available technical resources, but also on the quality and competence of its employees as required by the bank from time to time. This is a reason why many banking CEOs have agreed that the availability of skills, a component of human capital/talent, is a key issue for banks (Grosskopf&Atherman, 2011).

Many researchers have found that in a service rendering company like banks, there are strong relation between employee satisfaction, customer satisfaction and service quality. However, in this era of human resource, employee turnover is a major factor that hinders business's ability to retain customers and provide high-quality customer service. When bank employees' encourages turnover and this is not checked, it might result to high loss of employees (i.e., employees' turnover) which in turn jeopardize an organizational performance, productivity, and effectiveness and banking financial system in general (Mobley, 1982; Mourad& Mustapha, 2007). Maxwell

(2010) added that because of turnover, the organization loses the most experienced and skilled staff that it had invested heavily in training on various organization job task functions and also incur huge costs in terms of time and finance to train the newly recruited staff in order to make them effectively adapt to organization working environment and demonstrate the required skills and experience.

Thus, it is difficult for the bank to realize its objectives without its employees unless a means is established to manage the rate of turnover .For instance, in the past five years i.e., between the years 2015-2020, the rate of turnover of employees of Dashen Bank s.c experienced was relatively high during the last five years . This situation motivated the researcher to conduct a study on this Bank. Besides, many studies have been conducted on Labor turnover but little had been done on examining the effects of employee turnover on performance of an organization. As a service giving organizations, the quality of the Bank's service is highly dependent on maintaining skilled manpower. Thus, the bank should establish a system to manage turnover and achieve its mission effectively (EtornamKunu, 2017) and (H.Ongori, 2007). Therefore, the researcher is intended to Examining the Effects of Employees Turnover on Organization Performance: The Case of Some Selected Branches of Dashen Bank in Addis Ababa

1.3. Research Questions

Based on the statement of the problem discussed above and those research objectives, the study is attempted to address the following research questions.

- a. What are the major Causes of Employee Turnover at Dashen Bank?
- b. What are the effects of employees' turnover on performance of Dashen bank?
- c. What are the possible mitigating strategies of reducing (mitigating) employees' turnover in Dashen bank?

1.4. Objectives of the Study

1.4.1. General Objective

The overall objective of this study is intended to examine the effect of employees' turnover on the performance of some selected branches of Dashen Bank in Addis Ababa and suggest possible way-out that would benefit the bank.

1.4.2. Specific Objectives of the Study

The specific objectives of the study are:

- I. To identify the major causes of staff turnover in Dashen Bank.
- II. To examine the effect of employees turnover on the performance of Dashen bank.
- III. To identify and suggest possible solutions to the bank to reduce (mitigate) turn over that experiencing currently and retain its employees.

1.5. Significance of the Study

In general the result of this study may provide great significance to various researchers involved in research activities including students that are concerned with the study of employees' turnover and attempts to investigate its effect in organizations performance by equipping the learners with more knowledge and skills on factors contributing to employee turnover in organizations. Its findings will have also great importance for the management of the bank to understand the effects of employee turnover and aware with the best staff retention strategies to manage high staff turnover rates.

In brief:

1. it provides background information for future studies i.e., the study will provide some insight and serves as a supplementary source of information for those people who deal with challenges of employee turnover and practices and who want to conduct detail study on the same topic.
2. It would assist that the Bank managers in capturing adverse labor turnover effect which could affect their organization effectiveness and efficiency.
3. By using this study the Bank and some other different organization can reduce the challenges of employee turnover and increase their productivity and efficient service.
4. Help the bank to set strategies to minimize turnover of employees.

1.6. Scope & Limitation of Study

Due to time, budget and current pandemic disease corona as constraints, this study is restricted the amount of the sample taken and delimited to few bank branches in Addis Ababa i.e., at head offices and branches residing in Addis Ababa that enable the management to reveal much information regarding the employee turnover problems. The bank has more 400 branches throughout in Ethiopia. For the purpose of this study out of 400 branches found in Ethiopia only 16 branches will be selected located in Addis Ababa. Therefore, the sample might not cover all population; but representative sample is used. The study will also limit itself to those currently working in those selected Banks. This research is also delimited to the data collection tools used. Even if there are many data collection tools, the researcher, however, will employ only questionnaire and interview type of data collection tools for this study because it is highly important to collect the relevant information from the respondents. The data collection period will be limited between 2015-2020 reports of labor turnover in 5 performance years of Dashen Bank S.C.

1.7. Organization of the Study

The study comprises five chapters i.e., it is organized into five chapters each with specific topics and sub-topics. Chapter one is an introduction of the study. This chapter contains background of the study, statement of the problem, research objective, research questions, scope and limitation of the study and also significance of the study; the second Chapter presents an overview of the literature mainly focused on gives concepts, challenges and effects of employee turnover and other important issues of staff turnover. The third chapter focused on Research Design and Methodologies. In Chapter four presentation and analysis of the data is presented. Finally, the conclusion & recommendations is provided in last chapter, i.e. chapter five.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

2.1. Introduction

The chapter encompasses different concepts of turnover. Primarily, it presents theoretical review of literature; basically the definition of employee turnover which helps to understand the issue well and then it also provides a brief presentation of literature on the types of employee turnover and its measurement. Following that, the causes and influencing factor of employee turnover will be entertained. Subsequently the costs and consequence of employee turnover will also be reviewed. The chapter also deals on the ways to reduce employee turnover for better performance of an organization. Besides, it also presents empirical literature review and the conceptual framework of the study.

2.2. Theoretical Literature Review

2.2.1. Definition of Employee Turnover

Employee turnover refers to people coming into and people moving out of an organization, that is, as the rate of change in the working staff of an organization during a defined period (SHRM 2016). Usually, the term refers to what is sometimes called voluntary employee turnover which is the normal turnover as opposed to people being fired in unusual situations (Mattsson&Saraste, 2002). Similarly, Rossano (1985) defined turnover as voluntary decision to leave or termination of participation in employment from an organization, excluding retirement or pressured voluntary withdrawal, by an individual who received monetary compensation from the organization. Hope and Mackin (2007) supported this idea by defining employee turnover as part of normal business activity that implies employees join the organization or the employer and separate from the organization as their life situations change.

Abassi et al. (2000) also explained turnover as the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment. Besides, Clifford (2012), briefly states that turnover is any departure beyond organizational boundaries. This indicate that the separation of employee from the employer by any means.

The term “turnover” is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period.

Deepa and Stella (2012), supported this definition by defining the term as “employee turnover is a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees”. It means that the assessment of the number of workers an organization should substitute during a given time period to the existing number of workers in an organization. In general, employee turnover is commonly defined as the entry and exit of individuals into and out of the working force of the organization over a specific period of time.

2.2.2. Types of Turnover

There are a few generally accepted forms of employee turnover. The first type of employee turnover is Voluntary and Involuntary Turnover. When employees leave an organization at their own discretion, it is referred to as voluntary turnover (Curran, 2012). According to this definition the turnover is initiated by the choice of the employee. It means the employee has his own choice to quit or occurrences of turnover started at the choice of employees. Katamba(2011), Ronra&Chaisawat (2009) also explained Voluntary turnover as employee decides to end or stop the relationship with the employer for personal or professional reasons or unsatisfied with the circumstances of current job and having attractive alternative from other organization. Thus it is a voluntary phenomenon, which shows to an individual’s self-initiated and permanent termination of membership in an organization. Similarly this idea is also supported by Reiche (2008), Nawaz, Rahman and Siraji (2009) presenting that, voluntary employee turnover as employee leaves the company with his own intension due to better job opportunity, existing job dissatisfaction, bad working conditions or negative behavior of supervisor. This indicates that voluntary turnover is caused by better job opportunity in other organizations, existing job dissatisfactions due to different factors in the current organization, like bad working condition and unenthusiastic behavior of manager in the current organization (AdugnaTuji, 2013).

Phillips and Lisa R. (2009) listed out some of the reasons why employees leaving their job voluntarily. These are personal dissatisfaction with the job, employer, hours, or working conditions, security, career move; relationships with manager/team leader or with colleagues ,

payment etc., employee's personal life may include family obligations, education, health, or moving to a new location; Getting hired at a new job for the Reasons better working conditions, better hours, a shorter distance to work, better pay, career progression or preparation for entry into a new career, or a career change; Feared or anticipated involuntary termination.

Involuntary Turnover on the other hand is somehow opposite to voluntary turnover. Mathis, J.E. and D.M. Jackson (2004), Allen, D.G., L.M. Shore & R.W. Griffeth (2003) and Curran (2012), explained that this type of turnover occurs when manager of the organization decides to terminate the relationship between employee and employer comes to an end and is initiated by the employer. In this case employees have no choice in their termination (Abdali, 2011). The reason may be because of organizational bankruptcy or a poor fit between the employee and the organization, desires to decrease costs, introduction of new technology, and organizational restructure. (Ronra and Chaisawat, 2009).

In relation to this Nikunj Patel (2010) presented there are two basic types of involuntary termination: "dismissal" and "layoff." Dismissal refers when the employer's choice to let the employee leave, generally for a reason which is the fault of the employee; and layoff is usually not strictly related to personal performance, but instead due to economic cycles or the company's need to restructure itself, the firm itself is going out of business, or due to a change in the function of the employer (SonhyaVanichvatana, 2010). This kind of turnover includes retirement, death, and dismissal, as well as resigning to take care of a lethally ill family member or movement of a spouse to another area (Boxall, P. & J. Purcell, 2003)

The other kind of employee turnover is avoidable and unavoidable turnover. Murray R. Barrick and Ryan D. Zimmerman (2005) explained Avoidable Turnover as it is a kind of turnover that happens in avoidable circumstances; here the organization first of all understands the causes of the turnover then can take corrective action to avoid it. With regard to this kind of turnover organizations can prevent by hiring, evaluating and motivating their employees more effectively (Riia O'Donnell, 2019). For example, if the reason of the turnover is poor working procedure, the management of the organization can avoid the turnover by improving the working procedures. On the other hand a turnover that happens in unavoidable circumstances is called 'Unavoidable Turnover. It results from life decisions that extend beyond an employer's control, such as a

decision to move to a new area or a job transfer for a spouse, death, permanent disability, and regular retirements and likes (Anantha Raj A. Arokiasamy 2013). These kinds of turnover cannot be controlled by the management of the organization (Curran, 2012).

Functional and Dysfunctional Turnover is also the other type of employee turnover. According to Abdali (2011), a turnover in which poor performers leave is explained as functional turnover while a turnover in which good performers leave is known as dysfunctional turnover. In case of functional turnover the poor performer employee can leave the organization in any means and this is because, the poor performer employees can be invaluable for the organization (AbebeTechan, 2016). When these poor performer employees leave the organization, the company can benefited by cutting unnecessary costs that incurred for that poor performer employees. But, in case of dysfunctional turnover, when good performer employees leave the organization it negatively influences the organization by losing employees who benefit that organization (BlenAsegid, 2018).

The other type of classification is 'internal or 'external' type of turnover. When employees of the organization move from one position to another position or from one department to another department or within the same organization, the employee leaves the position or the department and the movement is known as internal turnover (Sarah K. Yazinski, 2009). It is related with the internal recruitment where organizations filling the vacant position by their employee, employees send-off their current position and getting a new position within the same organization. On the other hand, external turnover is defined as the separation of employees and employer and it can be voluntary or involuntary (Anantha Raj A. Arokiasamy, 2013).

Turnover also classified as skilled and unskilled turnover. In relation to this classification, when inexperienced, unqualified, inexpert, and untalented employees leave the organization, the turnover is termed as unskilled turnover (AyantuShiferaw, 2018). In case of unskilled turnover, without the organization or business incurring any loss of performance, employees can generally be replaced and the positions often face high turnover rate (Siddhartha Sarkar, 2014). Employers do not worry about unskilled employee turnover because of the ease of hiring new ones (C.M. AtiqurRahman. 2017).

Skilled turnover on the other hand refers to the situation of skilled and educated professionals leave the organization (Abdali, 2011). It may create a risk to the organization while leaving employees. High turnover of skilled employees pose a risk to the business and ultimately in the organization in the form of human capital lost and leads for incurring replacement costs as well as competitive disadvantage of the business (Emeka and Ikemefuna, 2012).

2.2.3. Causes And Influencing Factors That Contribute To Employee Turnover

There are various reasons for which employees resign their engagements in organizations. These can be classified as: pull factors (the attraction of a new job in other organizations) and push factors (may be dissatisfaction with the present job that motivates an employee to seek alternative employment elsewhere) (Kayla Weaver, 2016). In this study focused and explore some of the factors that contribute to employee turnover in more detail below.

The first factor that contributes to employee turnover is demographic factor. Studies have validated that turnover is associated in particular situations with demographic and personnel characteristics of workers such as age, gender, qualification, marital status, experience and tenure (Abdali, 2011). In relation to this factor, Parker and Skitmore (2003) clarified top performing females have turnover rates that are 2.5 times those of their male counterparts and itfemale managers are more likely to leave their organizations when they perceive a lack of career opportunities within their organizations. Besides, employees more qualified in their professionalism tend to leave their current organization because they have more opportunity to gain better work than employees who have less qualification (SunitaDodani and Ronald E LaPorte, 2005).

In addition, employees who have married, have children and stabilized family life situation, prefer to stay in organization that they stabilized their family life. This shows the fact that marital status has great influence on employees' turnover (Hailemichael Mulie, 2018). Conversely, employees who do not married and free to move from place to place can have more chance to exercise turnover. In addition, Nawaz, Rahman and Siraji, (2009) explained that employee who have more work experience can leave the current organization since they have more opportunity to gain better work than employees who have less work experience.

The second factor that contributes to employee turnover is lack of opportunity for advancement or growth. This refers to lack of promotion or advancement which mean absence of assignment of an employee to a higher level job within an organization' (Masri, 2009). If the job is basically a dead-end proposition, this should be explained before hiring so as not to mislead the employee and raising false hopes for growth and advancement in the position (Basel AlSayed, 2015). When employees perceive no growth for future or desire to advance within the system, they have no reason to remain in the current work situation. If employees are not properly promoted, they will leave the organization.

Job Satisfaction is the other factor that pays to employee turnover. Here, Job satisfaction refers to the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values (Ping He, 2008). Aziri (2011), Huling and Dalai, (2009), also explained that it is a multi-dimensional psychological responses to one's job that have cognitive and emotional components revealed by outward (verbalized) and inward (felt) emotional responses. The multi-dimensional responses can be ranged along good or bad, positive or negative phenomenon.

Thus, high job satisfaction leads to lower turnover, while low satisfaction leads to higher turnover Randhawa (2007). Thus, Job satisfaction is the most important variable to understand employee's intent to leave the organization. As this explanation, dissatisfied employee has more intention to leave the job Nawaz, Rahman and Siraji (2009).

Further, Compensation (Monetary Rewards) is important factor to deal with Job employee turnover. Employees demand an appropriate level of compensation for their effort that may be offered in monetary (direct) reward, such as salary and bonus, or bundled with other non-monetary (indirect) reward such as medical insurance and transportation services (Ut Lon IM, 2010). Monetary reward has been defined in such a way like cash or equivalent (includes fringe benefits, medical facilities and provident fund) that an employee receives against his services from the employer helps to raise job satisfaction and likewise suite for minimizing the intent to leave the job (Naas, Raman and Siraji, 2009).

As Abdali(2011) described, compensation plays an important role to retaining employees. Poor compensation is widely known as one of the problems in the organization that leads to employee

turnover. Besides, employer should compensate its employees in equitable manner. This leads to reduction in employee turnover. This is because making discrimination during offering compensation may cause employee turnover (Abdali, 2011). Fair compensation policy is very important for both employer and employees.

Besides, according to Shamsuzzoha (2003), one of the most common reasons given for leaving the job is the availability of higher paying jobs. This implies that employee leaves the current organization to gain better payment from other organization. In addition, unequal or substandard wage structures are serious reasons given for leaving the job. This inequity in pay structures or low pay is great causes of dissatisfaction and can drive some employees to quit (Kansiime Ronald, 2014). Leadership (Supervision) Styles is also crucial reasons given for leaving the job. According to Rosse (2010), the coordination between managers or supervisors with their subordinates may create impact on employee turnover. It depends on the employee's satisfaction with their supervisors and also the communication skills of supervisors to handle their subordinates (Abdali, 2011). Employees are trusted in how they manage their own time and outputs and they have access to parts of the business previously reserved for management such as strategic, tactical information, and profit.

Peer Group Relationship is also raised as reasons given for leaving the job by employees. According to Abdali (2011), the employee turnover can be seriously effect in that the strong relation among the work group, integration, and satisfaction with the coworkers decreased turnover. Thus, well-built peer group relations are distant cause of turnover and also a source of job satisfaction that the organization can reduce turnover.

In addition to the above raised factors working environment is also reasons for leaving the job. Employees want to stay within the organizations just have of clean and healthy environment. Since employees prefer to work in environment which suitable for their live, working environment is one of the main causes that influence employees to decide on whether to continue or to leave the organization (Martin, 2014). Therefore, working conditions play vital role to increase job satisfaction and organizational commitment in the labor force community.

Studies also show that Job scope (work assignment) is a reason for leaving the job. Job Scope refers to the density of the job and challenges of the job contents and when it is large and

complex, it leads to high satisfaction of employees in that organization (NonoAyivi-Guédéhossou, 2016). In this sense, when employees are satisfied with the works of the organization, it resulted in the reduction of turnover intention. So, Job involvement may discourage employee to exit. Logically, employees who consider engage in their jobs, psychologically, acknowledged with their jobs, may feel bound to jobs (Abdali, 2011). This implies that when employees are assigned to the position according to their profession and specification, they are more interested and satisfied with their work, and the working environment becomes clear for employees to accomplish intended organizational objectives and objective accomplishment lead to job satisfaction (Ovidiu-IliutaDobre, 2013). Besides, a bad match between the employee's skills and the job underutilized may become discouraged and quit the job.

Similarly, the characteristics of the job are also a reason for employees turn over in an organization. Some jobs are intrinsically more attractive than others. According to Manisha Purohit (2016), a job's attractiveness will be affected by many characteristics, including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment. In this regard, Curran (2012) explains that Individuals will be satisfied with the job when their expertise, abilities, knowledge and skills are fairly utilized by the organization and when the organization grants opportunities.

Further, if working conditions are inferior or the workplace lacks important facilities such as proper lighting, furniture, restrooms and other health and safety provisions, employees will not be willing to put up with the inconvenience for long time (J Burton, 2009).

In addition, an employee needs to be appreciated. Since employees generally want to do a good job, it follows that they also want to be appreciated and recognized for their works (Bennett Conlin, 2019). Otherwise if employee's feelings of not being appreciated, they could want to leave the job. Together with this factor, inadequate or uninspiring supervision and training is also a reason for leaving a job. Employees need guidance and direction. New employees may need extra help in learning an unfamiliar job. Similarly, the absence of a training program may cause workers to fall behind in their level of performance and feel that their abilities are lacking (Christine Muiruri, 2012).

It is known that employee turnover is expensive from the view of the organization and has some significant effects on organizations (Cantrell and Saranakhsh, 1991; Dyke and Strick, 1990; DeMicco and Giridharan, 1987; Denvir and McMahon, 1992). In relation to its effect, it is observed that in the United States estimated at \$40 billion a year, in Canada \$12 billion and in Germany DM 60 billion and South African organizations millions of Rends is Staff turnover costing in decreased efficiency(Robbins, 2003).

In relation to this, Page (2001) also illustrated that; a major concern for businesses is the increase in the rate of labour turnover which is affecting organizational performance. Gardner (2009) further asserts its devastating effects on service rendered by the organization and these may bring deficits in meeting customer demand leading to customer irritation and increase in complaints. Staff turnover is costly that it reduces the output and disruptive (Steers, 2002). This is true in banking industry as staff turnover causes the organization to lose a lot of money.

Labor turnover represents a migration of human capital from organizations and the subsequent replacement process entails manifold costs (Fair, 1992). Replacement costs include search of the external labor market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit (John 2000). The costs of recruiting and engaging new members of staff affects the direct costs like advertising, agency fees, paper work and interview time (Mullins 2005). Turnover has many hidden or invisible costs and these invisible costs are result of incoming employees, co-workers closely associated with incoming employees and with departing employees and position being filled while vacant (Philips, 1990). Besides the issue also articulated by Robbins and Decenzo (2001) as hidden or indirect costs, like the expenses incurred in training and supervising new entrants, as well as those they are replacing and overtime that may have to be paid during staff shortages. In addition to these replacement costs, output would be affected to some extend or output would be maintained at the cost of overtime payment. Increased wastage and losses also are the other costs while new staff settles in.

The effect of turnover on customer service and satisfaction might be a delay of service delivery while waiting for the replacement staff to arrive (Kemal et al., 2002). This supported by the

explanation of Ziel and Antoinette (2003) that there might be production losses while assigning and employing replacement staff. Often the organization experiences a waste of time due to inexperienced replacement of staff.

The effect of employee turnover results in an extra work load for the remaining staff member's performance and on organizational effectiveness (VuyisileMabindisa, 2013). The morale of staff may be lowered because work overload, overtime work, substitute personnel and working with fewer staff than required is problematic (Lydia OongeMokaya, 2014). This causes an increase in errors during the performance of activities and results in poor service. That might lead to lost revenue from sales not made, the loss of customers who fled to competitors for better service (Page 2001). The increased workload leads to low morale and high levels of stress which in turn leads to absenteeism amongst employees. With regard to this Neo, Hollenbeck, Gerhart and Wright, (2006) explained that it can have a negative impact on other employees by disrupting group socialization processes and increasing internal conflict. Many researchers argue turnover should be managed properly to avoid the negative effects on remaining employees' morale, which may influence them to leave and on the profitability of organizations (Hogan, 1992; Wasmuth and Davis, 1993; Barrows, 1990).

In addition, staff turnover rates further, de-motivated employees or to be defensive in their work and feel isolated from their colleagues, which create a hostile and an unworkable environment (AyalkbetAmdemariam, 2013). As a result of its employees become selfish and focus on their needs and not those of their colleagues or customers.

In general, Nel, et al. (2004) listed out some of the factors that impact on staff turnover and organizational effectiveness as increased customer complaints about the service; the quality of service is decreasing because of staff shortage, the replacement staff may be unfamiliar with the unit and task or duties to be performed; therefore inefficiency and errors may result. Therefore, if employee turnover is not managed properly it would affect the organization adversely in terms of personnel costs and in the long run it would affect its liquidity position (H Ongori, 2007).

To sum-up, LpdnvFlorea(2013) listed out effects on employers direct recruitment costs as follows. That are recruitment administration, Selection costs (traveling expenses for candidates, psychometric testing staffs time in interviewing or running assessment centers, checking

references); development costs (training the new employee using formal and informal development methods, induction training) ; administrative costs associated with resignations (pay-roll arrangements, calculation of holiday entitlements, pension transfers, conducting exit interviews),administrative cost, cost associated with new starters (contract writing, medicals, sending out documentation, issuing uniforms, parking permits, identity badges, company cars etc, relocation expenses for new starter), Inefficiency in production or service provision (resulting from slackness on the part of the resigned, inexperience of the replacement employee and inefficiencies resulting from a period in which the vacancy is unfilled). Further, overtime and costs of hiring temporary workers (during the period between resignation and the hiring of a new member of staffs), the team spirit among the workers is distributed due to high staffs turnover as newly recruited very often. In addition the market reputation of the employer is adversely affected due to high staffs turnover and May not be able to meet customer orders and expectations on timely manner. These costs also appreciated by Stephen (2004).

There are ways to measure the effects of turnover on organization performance. The broad organizational performance measures, viz. organizational, operational and financial performance, show correlations with turnover rate. Operational and financial performance show different correlations with total employee turnover rate (R.Rijamampianina, 2015).

2.2.4. Mitigating Strategies of Reducing Employees' Turnover

These days strategies on how to minimize employee turnover is challenged with problems of employee turnover. As a result, organizations identify and suggest possible mitigating strategies of reducing turnover of employees' in their organization.

To deal with this issue, one of the largest factors that determine employee turnover rates is the workplace atmosphere (Linda, 2002). Providing a stimulating workplace environment, which fosters happy, motivated and empowered individuals, lowers employee turnover and absentee rates. It is vital promoting a work environment that fosters personal and professional growth promotes harmony and encouragement in all levels of organization (Martin, 2005).

Training is the other factor that determines employee turnover and is important providing the individual with the necessary skills to perform their job beginning on the first day of work. In

relation to this, Robert (2006) suggested that continual training and reinforcement develops a work force that is competent, consistent, competitive, effective and efficient. Fredrick (2010) also adds that before the first day, it is important the interview and hiring process expose new hires to an explanation of the company, so individuals know whether the job is their best choice. Johnston,(1997) argued that organization that is not committed to employees skills development discourages exposure of employees to career development programs and this contributes to realization of increased staff turnover. Thus, employers can keep their employees informed and involved by including them in future plans, new purchases, policy changes, as well as introducing new employees to the employees who have gone above and beyond in meetings (R Nyaga,2015). Taking the time to listen to employees and making them feel involved will create loyalty, in turn reducing turnover allowing for growth.

The other important determinant is remuneration which is the most common cause of the employee turnover rate being so high. Companies that do not offer good salaries, tend to face the highest turnover. To avoid this scenario, companies should strive to be competitive enough in order to retain qualified and talented personnel. Abraham (2009) and Gupta (2008) affirmed that employees always drove to companies who offer more benefits. Thus, the employers need to reduce their bureaucratic procedures in order for the employees to receive the best available benefits without any difficulty. They should make a note of what all benefits other organizations are providing, which may attract their current employees (Gupta, 2008).

A study by Nelson (2009) found out that salary scale is the most common cause of the high employee turnover rate in many institutions. So, the employers should make it a point to offer salaries that would be competitive enough to retain and attract well-qualified and talented personnel. In addition, the companies need to evaluate and modify their promotion policies in a fair way which would enable promotions for candidates only on the basis of employee performance (Richard 2008).

Besides communication is the other factor that determine staff turnover. According to AyshaSadia(2016), the interpersonal bond that is developed between employees is central to the communication patterns that are characteristic and unique to any organization. People grow professionally and personally, and good employers are able to accommodate these changes in the

circumstance (L. Brewer, 2013). Employers who communicate regularly with employees lessen the risk of creating a workforce that feels undervalued and unappreciated. Robinson and Alex Martin (2018) explained that keeping employees informed about organizational changes, staffing plans and fluctuating business demands is one way to ensure employees remain with the company. Neglecting employee concerns about job security through lack of communication or excluding employees from discussions that can affect their job performance, such as policy or procedural changes, negatively impacts the way employees view their employer (Miguel, 2008). Knowledge accessibility, the extent of the organization's cooperativeness and its capacity for making knowledge and ideas widely available to employees, would make employees to stay in the organization. Sharing of information should be made at all levels of management (H. El-Farr ,2019). This accessibility of information would lead to strong performance from the employees and creating strong corporate culture Meaghan et al. (2002). Therefore; information accessibility would make employees feel that they are appreciated for their effort and chances of leaving the organization are minimal. All these makes employees to be committed to the organization and chances of quitting are minimal.

2.3. EMPIRICAL LITERATURE REVIEW

A research was done by Tilahun A. and Desalegn K (2019) on “The Effect of Employee Turnover on the Efficiency of Pharmaceutical Fund and Supply Agency (PFSA)” with an objective of assessing the effect of staff turnover on organizational (PFSA) efficiency. They applied Methods of cross-sectional descriptive study and Using sample size determination formula 96 respondents were obtained from 478 permanent employees of target population in their research. They collected data through structured questionnaires and were analyzed using the version 20 SPSS. Descriptive statistics (mean, standard deviation, variance, and percentage) was computed and summary results were present using tables and graphs. Chi-square test was compute to see the association and proven the research hypothesis. Result: A total of 96 respondents were participated. The result showed that majority 90 (93.8%) of the respondents were responded PFSA has experience of employee turnover. A mean of 4.05, 4.00 of respondents agreed that lack of incentives and poor wages, low level of employee motivation, were the reasons of employee turnover respectively. Even though 50 (52.1%) of the respondents

felt that the organization had not taken any measures to manage employee turnover, a mean of 3.55 and 3.41 respondents indicated that establishing of functional and effective human resource management system and create an open communication between employee and management respectively could decrease employee turnover and improve organization efficiency to a great extent.

The other research was one by Nelly Anzazi (2016) on the impact of high staff turnover on productivity: a case of Telkom Kenya limited seeking to determine the factors behind the exceptionally high employee turnover rates at Telkom Kenya Limited. To do this, the researcher was focus on getting vital insights from past employees at Telkom Kenya Limited and also incorporates a comprehensive review of past literature on this topic. The quantitative research method was utilized in this research to help further comprehend the research question. This project finally identify three factors were determined to cause the high employee turnover rates in this sector. They include; low levels of employee motivation, inadequate wages and finally, work-life balance that have to be adequately addressed to boost the employee retention rates at Telkom Kenya Limited. The research project has outlined a variety of recommendations including, regular periodic training, better wages, employee recognition and much more.

Research done by Zeeshan Ahmed et al., (2016) on Impact of employee turnover on organizational effectiveness in Tele Communication sector of Pakistan. The target population for this research study was the employees of telecom sector of district D.G.Khan and Multan. For this study, survey method was adopted by floating questionnaire which served as a tool for collecting research data. The results of this study have revealed that employee turnover depending upon factors such as (firm stability, pay level, industry, work situation, training and supervision) have significant impact on organizational effectiveness; these factors are correlated with each other as well.

P. Ampomah and S. K. Cudjor (2015) conducted a research study focused on the effect of employee turnover on organizations with reference to the Electricity Company of Ghana (ECG). The research design used in this study was the quantitative approach, which allowed the researcher to use structured questionnaires in collecting data. The simple random sampling technique was used to select forty respondents from all levels of management in the company. A

high response rate of 95% was obtained using the personal method of data collection, based on which the analysis was made using the frequency tables. The study found that lack of promotion was the primary cause of employee turnover in ECG. Turnover, however, 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. To reduce the rate of turnover, management should review condition of service for employees; and also ensure that the working environment is conducive.

A study conducted by Rasoava (2015) in South Africa on "Employee turnover rate and organizational performance in South Africa", yields a better understanding of the implications of employee turnover on organizational performance. Through the knowledge and understanding of the impact of employee turnover rates on organizational performance, a multidisciplinary approach to human capital management can be advantageous to manage a shift in human resources to benefit organizational performance. Also, the development of employee value propositions, retention strategies and initiatives to address dysfunctional voluntary employee turnover rates should take cognizance of the fact that any shift in employee turnover rate affects organizational (financial) performance.

The other important study conducted by Lejaras Paul Lemuna (2014) was the "effect of employee turnover on performance of Organizations" on Tobacco Kenya limited. The purpose of this study was to investigate the effects of employee turnover on performance in an organization with reference to Mastermind tobacco Kenya Limited. The researcher used both primary and secondary data. The researcher used primary data collected using self-administered questionnaires with both open and close ended questions. The data was put in appropriate tables first before being used in descriptive statistical graphs. The data was presented in tables and graphs since it is a visual way to look at the data and see what happens and make interpretation.

The major findings of the study revealed that employee turnover affects the general performance of the Mastermind tobacco Kenya Limited, that there is a relationship between employee turnover and recruitment cost, that the effects of employee turnover in terms of training costs proved to be negative on the organization's performance and finally that there is a relationship between employee turnover and employee morale. The researcher recommended for

minimization of employee turnover owing to the fact that it will save the organization on the time and money spent on recruiting and training of new employees hence this will give the management humble time to concentrate on the core business of the entity for example on research and development of the employees.

Saba Sattar(2014) conducted a study on Factors Effecting Employee Turnover in Banking Sector. This study came with the conclusion that employees have tried to work with energy, capability and purpose even if they are not provided with the support; they need to achieve their tasks with morality. They are more intensive to avoided stress and at their work place reduce directly affects their performance. If avoided then turn-over are extraordinarily high and in this feasible business world of today, if such be the ratio of employee turn-over then organizations could let-down. This finally indicates to increase the working situations and the working relationships among employees in the organizations. If the employees becoming slightly stress through the job, they desired to leave for few days and taking rest at home. The relation with the employees and Supervisor should be positive, close and good. It is imperative for the firms to deliver friendly environment for holding and developing the employees. Development of employees is the ultimate development of Organization.

A study done by Maryam Farid Mote (2014) was intended to assess the impact of employee turnover on organization performance at Barclays bank Tanzania Limited in Dares Salaam region. The objectives of this study was assessing the impact of employee turnover on organization performance and investigating the causes of staff turnover in Barclays bank Tanzania Limited and finally recommending strategies that can be used to reduce the high level of employee Turnover in Barclays bank Tanzania Limited. In this study the researcher collected data through Questionnaires, Interviews and documentary Review. The research design used in this study was the quantitative approach, which allowed the researcher to use structured questionnaires when collecting data. The targeted population was the employees across Dares salaam branches which consisted a sample size of 100 employees and he was used simple random sampling.

The findings of this research highlighted that high staff turnover increases work load to the present employees in Barclays bank Tanzania Limited and it also causes reduction in effective

service delivery to the customers and reflects poorly on the image of the Barclays bank Tanzania Limited. The findings recommended that top management should pay a marketable salary to employees and the employees must be rewarded if they have achieved their goals also develop opportunities for career advancement in Barclays bank Tanzania Limited. The study concludes with direction for future research

A research conducted by Akeke, NiyiIsreal et al., (2013) on the effect of Labour turnover on Performance in Nigerian Banking Industry (A Case of Ado-Ekiti Metropolis, Ekiti State) aiming that to examine labour turnover relationship with the performance of Nigerian banking industry. In this study, survey method was used; the population of the study comprised the entire commercial banks in the three senatorial districts of Ekiti-State, Nigeria. Sample size of 34 officers of current employees out of total population of 51 officers was used while 51 out of total population of 68 ex-employees were used. The finding shows that retrenchment, unrealistic target, leadership style, training and job insecurity have a positive relationship with performance while excessive workload shows negative relationship with the performance.

A research by Amare T/Tsdik (2013) on “causes of turnover and its effect on organizational performance the case of Nib Insurance S.C” found that the basic positive effect of turnover are displacement of poor performer and induction of new knowledge and on the other hand decreasing performance, high cost of replacement, training and development of new employees and unfulfilled daily functions and work load on the existing employees are the basic negative effects of employee turnover. The basic solution to minimize employee turnover in the company which is recommended by respondents are increasing salary scale, and reduce work load of employees in some departments. In his finding he concludes that apart from its cost implications labor turnover can be disastrous if not well controlled. The positive effect of controlled turnover are displacement of poor performer and induction of new knowledge on one hand and on the other hand if turnover is out of control it has negative effects such as decreasing performance, high cost of replacement, high cost of training and development of new employees and lower productivity due to work load on the remaining employees.

A research on “A Qualitative Study on Causes and Effects of Employee Turnover in the Private Sector in” by Anantha Raj A. Arokiasamy (2013) concluded that Employees are the backbone of

any organization, they need to be motivated and maintained in an organization at all cost to aid the organization to be globally competitive in terms of providing quality products and services to the society. We need to emphasize the importance of employee retention and that the impact on the organization.

D. Rajan (2013) undertaken research with the objectives of analyzing impact of turnover of nurses on organization performance and offering suitable suggestions to control and prevent turnover of nurses. It was survey based descriptive research work and adopted both convenient and judgment sampling methods and sampled 30 administrators from 30 leading private multi-specialty hospitals in Tirunelveli city, Tamilnadu, India. Primary data have been collected by a constructed questionnaire along with personal discussion. The research has found excessive work load for remaining staff, delay in daily routine procedures, poor patient satisfaction and complaints from patients are foremost impact of turnover of nurses in private hospitals.

In addition , a research focusing on the impact of staff turnover on organizational effectiveness and employee performance in the Department of Home Affairs in the Eastern Cape Province done by Vuyisile Mabindisa (2013). The research design used in this study was the quantitative approach, which allowed the researcher to use structured questionnaires when collecting data. A pilot study was conducted to test the questionnaire and survey method was used in this study because the target population only composed of 100 employees. The findings highlighted that high staff turnover increases work load to the present employees in the department. And it also causes reduction in effective service delivery to the customers and reflects poorly on the image of the Department. Other findings suggested that unhealthy working relationship may also be the cause of staff turnover in the department.

The other research was done by Ovidiu-Iliuta Dobre (2013) on employee motivation and organizational performance aiming to analyze the drivers of employee motivation to high levels of organizational performance. He rose that motivation and performance of the employees are essential tools for the success of any organization in the long run. On the one hand, measuring performance is critical to organization's management, as it highlights the evolution and achievement of the organization. He also argues, there is a positive relationship between employee motivation and organizational effectiveness, reflected in numerous studies. If the

empowerment and recognition of employees is increased, their motivation to work will also improve, as well as their accomplishments and the organizational performance. Nevertheless, employee dissatisfactions caused by monotonous jobs and pressure from clients, might weaken the organizational performance. Therefore, jobs absenteeism rates may increase and employees might leave the organization to joint competitors that offer better work conditions and higher incentives.

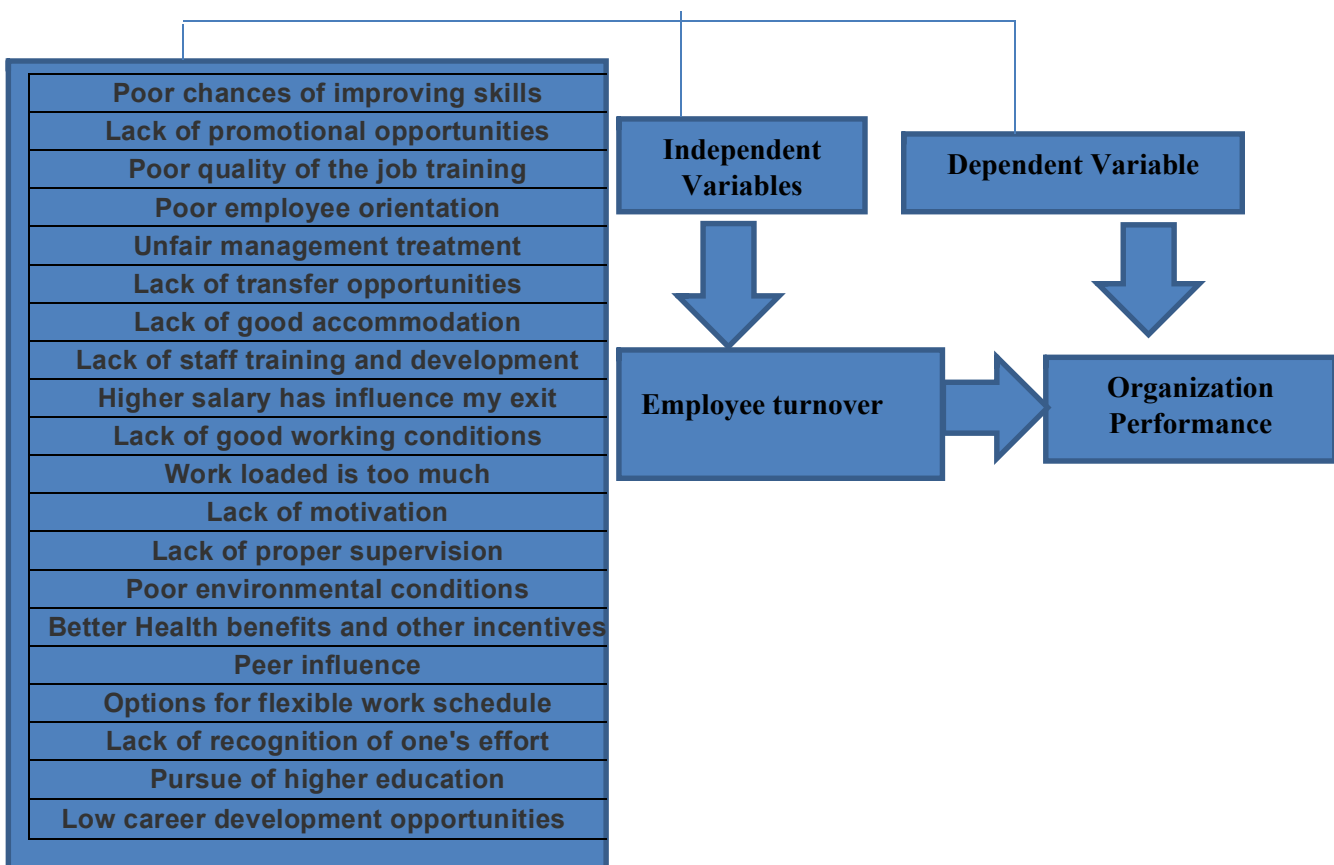
Research done by Milanzi (2008) on Assessment of the causes and effects of labour turnover on banking industry, the case study design sampled 82 respondents to represent a population of Tanzania Investment Bank staff, she found out that the turnover was mainly caused by low remuneration packages, unequal treatment among employees and lack of communication between the management and staff of other department. She recommends that promotion and salary increments should be clear and open to every employee. Employees should be encouraged to read and understand human resources policy. Also all members of staff need to have information about organization production, its customers, its performance compared to the competitors, the strategy to win the market and their benefits. The researchers have tried to find out the reasons for employee turnover in which their conclusion based on the job satisfaction. However, they did not indicate the effects of employee turnover.

Mekonnen Negash (2004) conducted a research on the effects of job satisfaction on employees' turnover intention in Addis Ababa branches; the main purpose of his paper was to examine the effects of job satisfaction on employees' turnover intention in Addis Ababa branch. In his study high staff turnover in Bank is a concern as large as 7.16%. Majority of these were from the operational areas whose release impact on the bank's profitability. The study was done based on primary and secondary data sources. Partly descriptive and partly causal or explanatory research design was followed and applied mixed research method. The collected data were analyzed using descriptive statistics and multiple regressions. The result revealed that only satisfaction from promotion opportunity has negatively and significantly related to intention of employees' turnover. The study recommends that the management should examine and improve the existing HR policy and procedure on promotion opportunity which can guarantee transparency and fairness to the employees of the bank to keep them satisfied on their job and retained in the bank

2.4. CONCEPTUAL FRAMEWORK OF THE STUDY

The following proposed conceptual model serves as a base for this research study. The main theme of this research is to show the relationship between employee turnover, which is the main independent variable and organization performance is the dependent variable. By using this conceptual framework different possible hypotheses have been developed to check the important relationships between employee turnover and organization performance below.

Figure1. Conceptual framework



Source: Own formulation

2.4.1. Hypothesis

H1: There is a significant relationship between organization performance and employee turnover.

H2: There is no relationship between organization performance and employee turnover.

H3: Organizations with low employee turnover will perform better than organizations with high employee turnover or vice versa.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This chapter discusses and describes the research design and the methodology that I use during data collection, sampling methods and techniques the research follow. That means it explain the research design and methods of data collection. The chapter also describes the data analysis tools and methods as well as the tools used in reporting.

3.2. Profile of the Study Area

This study is conducted on Dashen Bank SC focusing on the effects of employees' turnover on the banks performance: with special emphasis on some selected branches of the Bank in Addis Ababa. Dashen bank was established on the 1st of September 1995 E.C under the banking proclamation of Licensing and Supervision, Proclamation No. 84/1994; the Bank was registered with the National Bank of Ethiopia on 1st, 1996. It came to life as a result of the entrepreneurial of eleven (11) founding members who recognized the critical role that financial institutions would play toward creating a sustained economic development. Now the Bank has more than 400 branches. Dashen Bank works in delivering the best quality service one step ahead in the bank industry with its skilled employees.

3.3. The Research Strategy

3.3.1. Research Approach

Creswell (2003) explained that there are three basic types of research approaches; namely quantitative, qualitative, and mixed approach.

1. Quantitative Research Approach

This kind of research approach is based on the philosophy of post positivism world view and this quantitative approach uses statistical methods in describing patterns of behavior and generalizing findings from samples to population of interest, and employs strategies of inquiry such as experiments and surveys (Creswell 2003).

2. Qualitative Research Approach

Under qualitative approach researchers tend to use open-ended questions so that participants can express their views and meanings are constructed by human beings as they engage with the world they are interpreting (Creswell 2003).

3. Mixed Research Approach

In this approach, inquirers draw liberally from both quantitative and qualitative assumptions.

Employing this approach is used to neutralize or cancel the biases of applying any of a single approach and a means to offset the weaknesses inherent in a single method with the strengths of the other method (Creswell 2003). Mixed research approach opens door to multiple methods of data collection and helps to generate the findings to a population and develop a detailed view of the meaning of a phenomenon or concept for individuals (Creswell, 2003). This research approach pose the researcher to the challenges that need for extensive data collection, the time-intensive nature of analyzing both text and numeric data, and the requirement for the researcher to be familiar with both quantitative and qualitative forms of research (Creswell, 2003).

In order to achieve the objective of this study and answer the research questions, the researcher will adopt mixed research approach to assess the effect of employee turnover on the performance of Dashen Bank.

3.3.2. Research Design

Research designed shows the detailed plan of how the research work will be conducted. The study will adopt both a descriptive research design and explanatory design. This is because since the study intendeds to gather quantitative and qualitative data that describes and explain the nature and characteristics of the effects of employee turnover on organization performance. As a case study, the main objective of the study is to explore the effect of employees' turnover on the performance of bank. To attain this objective, the selected research design above will be found to be useful as it narrowed the area of study and provided adequate and relevant information to the research problem.

3.3.3. Selection of the Study Area

This research study was conducted in Dashen bank, Addis Ababa to assess the effect of employee turnover on organization performance in the Bank. The rationale for choosing this bank as a case study is that the bank had been effective in handling turn over but now a day the bank face challenges of labor turn over.

Target Population

Saunders, et al. (2003) explained that a population is the full group of potential participants to whom the researcher wants to conduct the research for the study. According to Dashen Bank 2020 annual report, the total number of employees working in the organization is 6129. However, given both time and resources limitations and also the current challenge of pandemic disease, purposive sampling techniques is used to obtain specific work area that is Addis Ababa for the study. Then, through sampling technique, some selected branches of the bank in Addis Ababa, are selected.

3.4. Sampling and Sampling Technique

It is desirable to have a sample which is representative of the total staffs of the organization as much as possible. In order to reach the desired number of the respondents, both simple random sampling stratified and purposive sampling techniques used. The benefit of this approach is customizing the benefits of both techniques while reducing the chance of biasness and improving the quality of data to be collected. Thus, stratified random sampling used primarily to select branches of banks from the four districts of Addis Ababa (North, East, West and South districts). Besides, sampling technique also used for grouping of employees since the population consists of management, professional and non-professional staffs. Then, simple random sampling employed to ensure that all bank branches and sample respondent employees stand equal chance of being selected to avoid sample bias and ensure that the results to be reliable enough by using Taro Yamane's (1967) simplified formula. This formula helps to determine the sample size of Finite Population. If the population is finite it should be corrected to a desired level of precision

Where, n= is the required sample size

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

N= is the population size

e= the acceptable sampling error; therefore,

$$n= 6129/1+6129*(0.1)^2$$

=98.39, i.e., 100 sample respondents which are representative sample.

Table 3.0 sample respondents

Number	Level of occupation	Total population	Sample size
1	Staff	6129	100
2	Professional Staffs	40	40
3	Managers	40	40
4	Nonprofessional Staffs	20	20

Source:-Own Formulation by Sampling Technique chosen.

3.5 Sample Size

Sample size is the number of observations used for calculating estimates of a given population. It depends largely on the degree to which the sample approximates qualities, characteristic of the overall population, population variability and sampling methods. Thus, a representative sample helps to generalize results. As explained above, based on purposive, cluster and simple random sampling procedures the sample respondents were selected. The target population was divided into subgroups as: North Addis Ababa district office Branches (which consists of 49 Branches), East Addis Ababa district office Branches (with 51 Branches), West Addis Ababa district office Branches (which consists of 41 Branches) and South Addis Ababa district office Branches (consists of 41 Branches).

From these cluster, sample branches were picked randomly from each districts based on their branch level or tier through simple random sampling technique. Further, sample respondent employees were also be categorized in to three cluster as management staffs, professional staffs and non-professional staffs.

Then, sample individual respondents were selected based on simple random sampling method based on their experience, closeness and authorization in different performance problems in the bank.

Thus, the study was categories of management staffs (40), professional staffs (40) and non-professional staffs of the organizations (20) which are a total of 100 sample respondent employees. Besides, the HR manger of the bank was selected for an interview working in the Head office of Dashen Bank SC in Addis Ababa located around Mexico square.

3.1. Sources of Data

3.2. (a.) Primary Data

Here, Primary data is collected through questionnaires and interviews. It is conducted through structured and semi structured questioners from selected sample respondents. The reasons of using this method are to get original information from the bank which is very useful in addressing the problem under this study. This is the best way of knowing how the situation is in the bank, and unlike the published information, this source gave valid information which was specifically collected for purpose of this study.

(b.) Secondary Data

In addition to the primary data, secondary data is also collect from different sources. Accordingly, data is collected mainly from the secondary data sources which include both published and unpublished materials i.e., documentary source like, journals, books, articles, official bank's reports, statistical abstracts, various government reports published and unpublished, bank's magazines and research journals to supplement the primary data.

3.3. Data Collection Techniques

This study was involved a number of techniques of data collection in order to achieve both primary and secondary data. These techniques include interview and questionnaires through personal (face to face) interviews, or self-administered questionnaires.

3.3.1. Interview

This is a method in which the subject or unit of study is interviewed. In this method analytical questions was asked and conversation between the researcher and the respondents done. Therefore, this method allowed face-to face conversation and therefore it was used in order to control ambiguities between interviewer (researcher) and interviewee. Interview was conducted with top employee that means executive director, of the human resource.

3.3.2. Questionnaire

This study adopted self-administered questionnaires, whereby lists of questions were given to a number of persons for them to answer and give their opinions accordingly. Questionnaires secure standardized results that can be tabulated and treated statistically. The questionnaires are pre-tested for accuracy and completeness. The pre- test of the questionnaire is intended to enable the researcher to improve the questions as their accuracy is essential in collecting good quality information.

3.4. Data Analysis and Presentation Techniques

The study generated both quantitative and qualitative data. Descriptive statistics data analysis method is applied to analyze numerical data gathered using closed ended questions. Data collected from interview, questionnaire, and documentary sources is analyzed using different statistical techniques and tools. That is, the Statistical Package for Social Sciences (SPSS) computer software is used for analysis to generate data array that will be used for subsequent analysis of the data. The data is cleaned, coded, categorized per each of the research variables and then analyzed using descriptive analysis such as percentage mean and STD deviation. The findings is presented using tables, since tables are user friendly and shows response frequencies as well as percentages of the respondents' opinions on the effects of employee turnover on organization performance, a case study of Bank The reason of using these approaches is to simplify the interpretation and understanding of the findings which is an important quality of any good research work. Qualitative data analyses method is applied to analyze the data gathered using open end questions where the respondents give their personal opinions on the effects of employee turnover on organization efficiency, a case study of Bank.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. DATA PRESENTATION

This chapter focuses on the presentation of data collected from the questionnaire which was distributed to the sample respondents of Dashen Bank SC aiming that to investigate the effect of staff turnover on organizational performance in Dashen Bank SC. In this chapter the analysis and discussion of the findings are presented. Below is a comprehensive presentation of the results obtained from questions after the respondents offered their insights through the questionnaires. In addition, the result of interview made with the HR manager of the Bank is presented. That implies the analysis and discussion in this chapter is based on the responses from research questionnaires, interview questions and secondary data collected from the bank.

4.1.1 Survey Responses Rate of the respondents

This research study tried to examine the effects of employees' turnover on the performance of Dashen Bank SC. with special emphasis on some selected branches of the Bank in Addis Ababa. The branches were selected based on Employee's turnover is a costly problem in many organizations including this Bank's, on purposive, cluster and simple random sampling procedures the sample respondents were selected based on their branch grade on each districts Grade 1-4 consecutively listed in the table .Therefore, in this research, as table 4.1.1 shows, a total of 100 survey questionnaires were distributed to staffs of some selected Branches of Dashen Bank SC in Addis Ababa.

Table 4.1.1 Selected Branches of Dashen Bank SC

OFFICE BRANCHES	<i>Districts</i>			
	North Addis Ababa District Office Branches	East Addis Ababa District Office Branches	West Addis Ababa District Office Branches	South Addis Ababa District Office Branches
	ARADA	HAYAT	MESALEMIA	BESERATE GEBREALE
	GULELE	SHLLA	SEBATEGNA	SARBET
	PIASSA	CMC	TANA	AFRICA UNION
ABUWARIE	SIMET	ABAKORAN	KERA	

Source: - Survey 2020

To determine the number of the respondents who filled and submitted back the questionnaires, an analysis of the response rate was conducted. Thus, the researcher noted that the participation of respondents was generally really wonderful. Thus, these all filled on questioners were returned i.e., in percentage 100 percent. In addition, an HRM manager from head office was interviewed.

4.1.2 Demographic Characteristics of the respondents

Table 4.1.2 General demographic characteristic respondents

Source: Survey 2020

Item	Questions	Category	Frequency	%
1	Age of respondents	Below 25 years	8	8%
		25-35	40	40%
		35-45	14	14%
		45 -55	36	36%
		55 and above	2	2%
		Total		100%
2	Gender	Male	56	56%
		Female	44	44%
		Total	100	100%
3	Educational status of sample respondents	First Degree level of education	56	56%
		Second Degree level of education	34	34%
		College diploma	8	8%
		PH.D	2	2%
		Total		100%
4	Length of service of sample Respondents	1-5 years	8	8%
		6-10 years	42	42%
		11- 15 years	36	36%
		16-20 years	14	14%
		Total		100%
		Never got married leaving single	46	46%
5	Marital status	Married	54	54%

The most and significantly important demographic variables which are employed in many samples survey and research activities are age, sex, and marital status, educational status of sample respondents and length of service of sample respondents

The table above shows gender percentages of respondents, the research wanted to identify the gender of the sample respondents. Therefore, with regard to the gender distribution of the respondents is concerned, 56 percent of them are males and 44 percent of them are female respondents. Here, it is so vital in research that should clearly demonstrate a relative balance of both genders and the in research data obtained from both respondents is more accurate and applicable to the general population, compared to that gathered only from one gender. This was definitely a fair representation of both genders.

As illustrated in the above table, the breakdown of the age representation of the sample respondents used in this research was those of age between 25-35 represented 40 percent from the total respondents that is the majority followed by age groups between in the age of 45-55 36%. In addition, of the sample respondents, ages below 25 years of age represented 8% while 14% of the respondents were at the ages between 35-45 years. Finally, only 2% of the participants were of age 55 and above years.

Concerning the educational status of the respondents is concerned; the study wanted to determine the highest education level held by the respondents and hence requested the respondents to indicate their highest level of education qualification. The findings were presented in table 4.1.2 above. Thus, The majority of employees (56%) have First Degree level of education. 34% of the respondents had Second degree level of education. 8% had college Diploma level of education the remaining 2% of respondents had PH.D. This indicates that most of the respondents were academically qualified in their respective job undertakings and hence understood the factors influencing employee's turnover in the organization.

As observed from the above table, the survey result indicated that a total of 42% of the respondents participated in this research were between 6 to 10 years of service, followed by 36% of the employees which had 11 to 15 years service in their organizations. Besides, a total of 14%

of the respondents had worked in their organizations between 16 to 20 years. While, the remaining 8% of the employees had worked between 1 to 5 years. Here, it is observed that following respondents the number of employees (36%) had worked above 11 to 15 years in their Bank. This indicated that most of the respondents had long working experience and had experienced the impacts of employee turnover on organizational performance.

Distribution of respondents by marital status is the other important aspect in the analysis of employ turnover issues. Regarding to the marital status of interviewed sample respondents, out of the total respondent staffs in sample population, 54 percent are married, 46 percent never got married leaving (single). This implies that majority of the respondents are married.

4.2 Analysis of the Findings of the Study

4.2.1 The Existence And Rate of Labor Turnover In The Study Area

To see the level of turnover in the bank respondents were asked about the existence of employee turnover in their organization. Thus, all respondents reported that they feel it there is employee turnover in their organization. Further, in this study, respondents were asked to respond regarding the issue of rate of turnover.

As figure 4.2.1 below illustrated, most of the sample respondents replied that there is high rate of turnover in their Bank. In percentage, 62% of them replied they agree there is high rate of turnover while 36% of the respondents were strongly agree there is very high level of turnover in their organization. The remaining 2% of respondents disagreed there is rate of turnover.

Figure 4.2.1 Rate of turnover in the Bank

rate of turnover in the bank

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	36	36.0	36.0	36.0
Agree	62	62.0	62.0	98.0
Disagree	2	2.0	2.0	100.0
Total	100	100.0	100.0	

Source: Survey 2020

In this research the researcher has also collected data by interviewing the HR Manager of Dashen Bank SC regarding to the issue of the existence of turnover of employees and its rate. Thus, the response of the HR managers was, there is labor turnover in their bank like any organization and raised the actual turnover of employees from the bank in the past five years referencing the banks report.

4.2.2 Respondents Response On Causes Of Employees Turnover

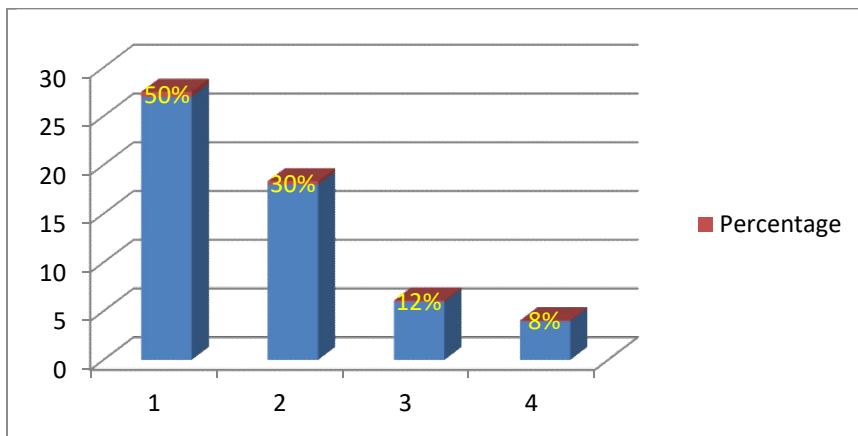
Besides, after verifying the existence of employee’s turnover and its rate in the bank, the researcher also asked the respondents to explain the reasons why employees leave the bank. Thus, most of the respondents replied that the major causes or reasons for employees leaving Dashen Bank SC are for the search of additional benefits and better salary followed by absence of opportunity for career advancement. Besides, they raised that absence of satisfaction with working conditions, lack of employee involvement in decision making, input not appreciated, and absence of training and development as among the basic causes of employee turnover in their bank.

In addition to the above stated causes of employee turnover, the following lists of reasons for labor turnover were presented to the respondents to indicate their rankings or the level of agreement and disagreement of the possible causes of turnover in their bank.

4.2.2.1 Job Dissatisfaction & Seeking For A Better Job Opportunity

It is known that high job satisfaction leads to lower turnover, while low satisfaction (job dissatisfaction) leads to higher employee turnover. Thus, as we observed from the following table, most of the staffs agreed that the possible causes of employees turnover in the bank is absence of job satisfaction and seeking of better job opportunity which accounts 50% of the sample respondents. While, 30% of the respondents strongly agreed that absence of job satisfaction and seeking for a better job opportunity as a cause for labor turnover in their organization while 12% of the respondents were neutral. The remaining 8% of the respondents disagreed. Job satisfaction is the most important variable to understand employee's intent to leave the organization that needs serious attention as a variable. See the following figure.

Figure 4.2.2 Job Dissatisfaction & Seeking For a Better Job Opportunity



Source: Survey 2020

4.2.2.2 For better salary and Benefits

As indicated in figure 4.4.2.2 below, the majority, 62% of the respondents strongly agreed that staff exit from employment because of better salary and benefits. 20% of respondents also agreed that staff exit from employment because of better salary and benefits. However, 14% respondents disagreed. The remaining 4% of them are neutral. In general, the picture presented in the results of this study, staff turnover in organizations is mainly for better salary and benefits.

Thus, one of the most common reasons given for leaving the job is the availability of higher paying jobs. This implies that employee leaves the current organization to gain better payment from other organization.

Figure 4.4.2.2 Turnover for better salary and Benefits

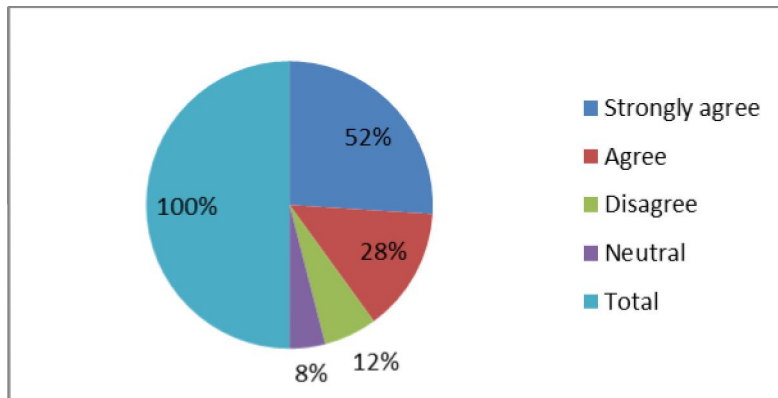


Source: survey, 2020

4.2.2.3 Absence of career development opportunities

As figure 4.4.2.3 illustrated below, majority of respondents strongly agreed that staff exit from employment because of absence of career development opportunities at their organization. Specifically, 52% of the respondent staffs and 28% of respondent staffs strongly agreed and agreed respectively. However, 12% of the respondents disagreed and the other 8% of the respondent staffs are neutral. Overall, employees in all organizations are always looking forward to being promoted. When an employee stagnates in one position for too long, he or she loses morale of work. He or she becomes disinterested in whatever he/she does. When staff works in the same position over a long period of time, their morale reduces and thus it affects their work out put. Insufficient career development opportunities in organizations enable staffs to seek for other opportunities outside the organization.

Figure 4.4.2.3: Turnover because of absence of career development

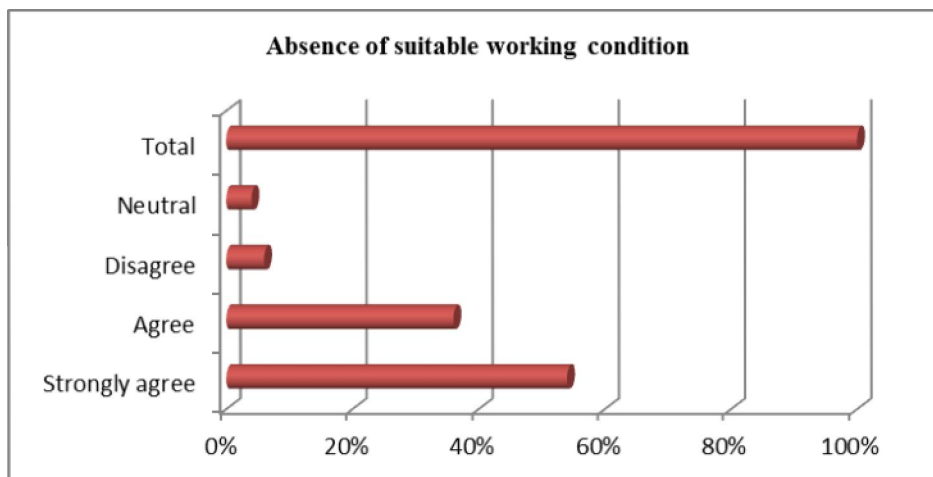


Source: survey, 2020

4.2.2.4 Absence of Suitable Working Environment

Working conditions play vital role to increase job satisfaction and organizational commitment in the labor force community. As indicated in Figure 4.4.2.4. below, the findings of this study indicate that, majority respondents (54%), strongly agreed that staff exit from employment because of dissatisfaction with conditions of work /working environment/. On the other hand, 36% of respondent staffs agreed with this variable. However, 6% and 4% of respondents disagreed and neutral respectively. Employees prefer working in environments that are pleasant and accommodative. Whenever the employer does not provide good working conditions, employees will seek for employment in institutions that provide good working conditions.

Figure: 4.4.2.4. Dissatisfaction with Working Environment

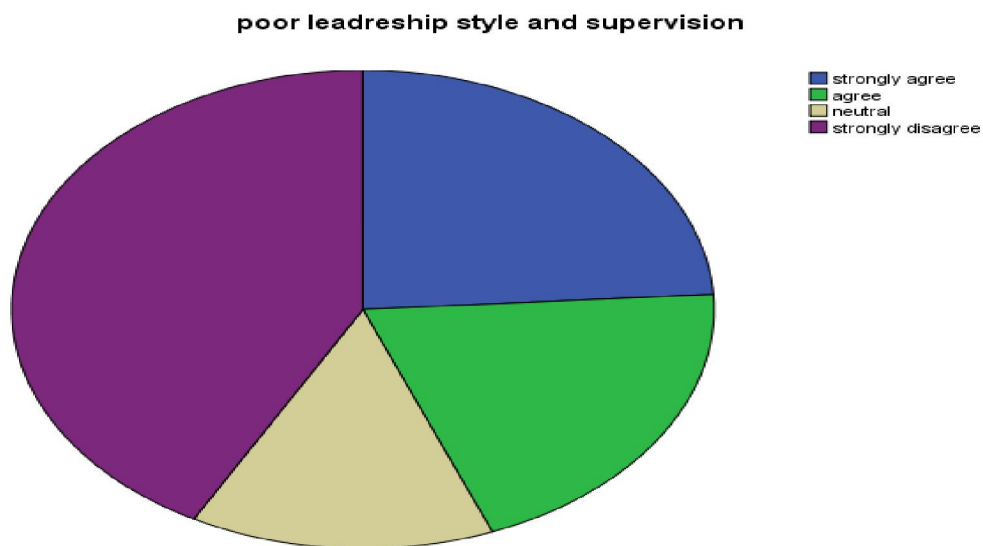


Source: survey, 2020

4.2.2.5 Poor Leadership style and supervision

The coordination between managers or supervisors with their sub-ordinates may create impact on employee turnover. So that leadership style is a concern for organization like police. Thus, the findings of this study also clearly demonstrate that, 42 % of respondents strongly disagreed turnover due to leadership style and supervisors. In addition, 20%, 24% and 14% of respondents agreed, strongly agreed and said neutral respectively. When a supervisor keeps harassing those whom he/she supervises, those supervised will lose interest in what they do, develop negative attitude towards their work, their department and even the whole organization where they work and finally decide to quit from the organization.

Figure: 4.4.2.5. poor leadership style and supervision

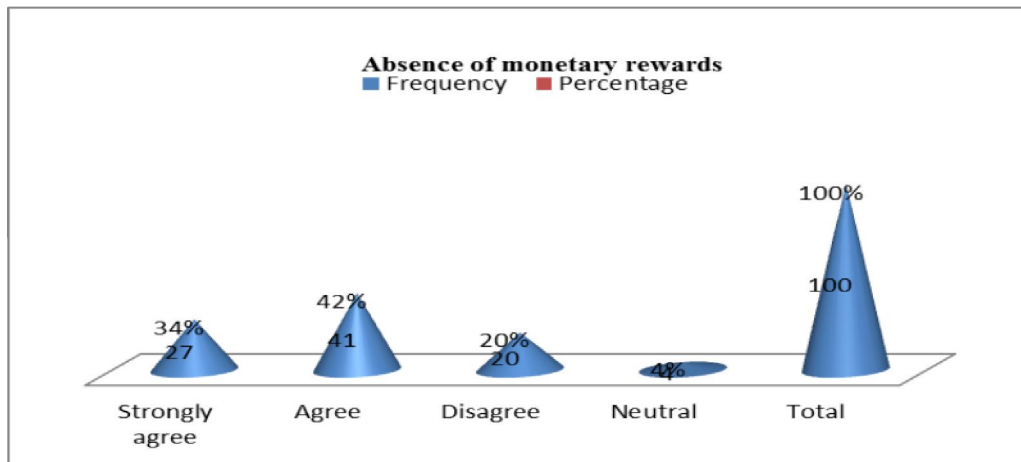


Source: Survey, 2020

4.2.2.6 Absence of Monetary Rewards

The result of this the study shows that majority of the respondents agreed that staff leave from employment because of absence of monetary reward. As figure 4.4.2.6 clearly demonstrates, 34% of the respondents strongly agreed and while, the majority i.e., 42% of them agreed with this variable. However, 20 % and 4% of respondents disagree and neutral respectively in that staffs exit from employment due to absence of monetary rewards. Researchers believed that frustration with salary and pay strongly motivate employee turnover. Therefore, monetary rewards generate a force on holding experienced and qualified employees. Employees demand an appropriate level of monetary reward for their effort.

Figure 4.4.2.6 Absence of Monetary Rewards



Source: Survey, 2020

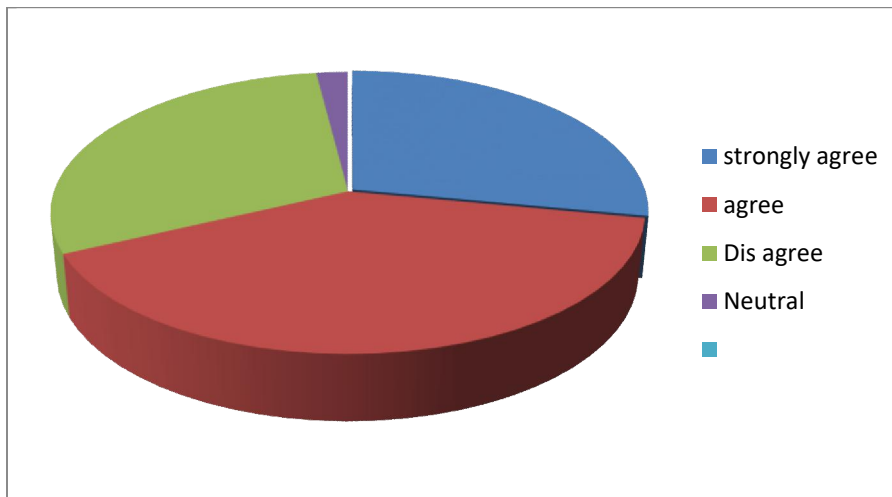
4.2.2.7 Job Scope, Workload & Stresses

The survey result in the study shows that majority of the respondents agreed that staff exit from employment because of stresses of work load. 48 % respondents strongly agreed staffs exit from employment due to work load and 34% agreed with this variable. However, 18% respondents disagree on job scope (assignment), workload & stress as a cause for employee turnover. According to the results of this study, stress from overwork causes turnover. This is because overwork denies the employee sufficient time for rest and also makes it difficult for the employee to meet his social and family requirements.

4.2.2.8 Poor Social And Interpersonal Relationship And Peer Group Relationship

As figure below clearly demonstrate, 28 percent and 40 percent of the respondent staffs have strongly agreed and agreed with low social and interpersonal relationship and Peer group relationship to be a cause for employee turnover in their organization. The remaining 30 percent and 2 percent of the respondents did not agreed and neutral with this variable respectively. This variable is important because strong relation among the work group, integration, and satisfaction with the coworkers decreased turnover.

Figure 4.4.2.7 Poor Social, Interpersonal Relationship and Peer Group Relationship



Source:-survey 2020

4.2.2.9 Absence of Training And Development

The findings of this study also illustrated that, majority (44%) respondents strongly agreed that staff exit from employment because of absence of training and development with in an organization. Moreover, 34% responding staff and 18% staff agreed and disagreed with this reason respectively. However, the remaining 4% of respondents are neutral of the variable. Overall, the picture presented by the results of this variable indicates staff turnover in organizations is caused by absence of training and development.

In this research the researcher has collected the data needed by interviewing the HR Manager of Dashen Bank SC regarding to the issue of causes of turnover in their bank. Thus, regarding its cause were concerned, the HR manager responded that they believed different reasons could cause employee turnover and he asserted that the most pivotal reasons that most staffs leave their job from their bank is for better opportunity(salary, benefits and carrier progression), family circumstances and traveling abroad.

4.2.3 Respondents response on the effects of employees turnover on organization performance

In this part the analysis of data obtained from data 100 respondents and the interview with the HR manager regarding the effects of employee's turnover on organization performance is analyzed primarily through descriptive and explanatory methods of analysis and following Correlation and regression analysis also applied.

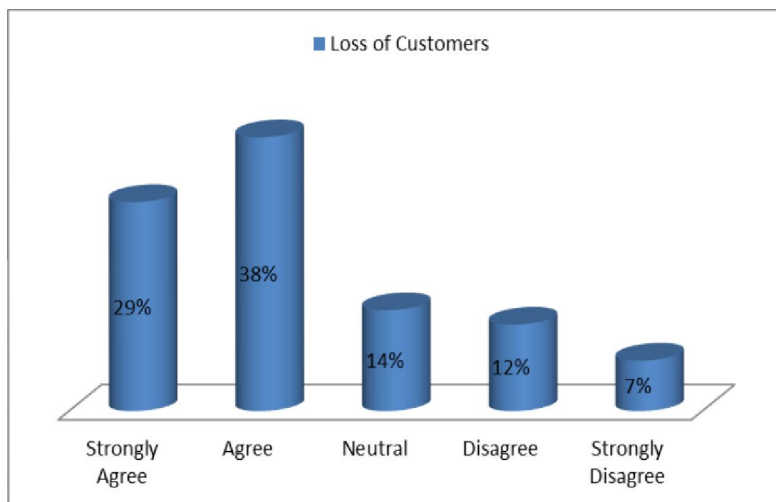
4.2.3.1 Descriptive and explanatory Analysis the effects of employees turnover on organization performance

The study sought to determine on whether employees' turnover affected the organization performance and thus asked the respondents to indicate if the employees' turnover affected the organization performance: i.e., the performance of Dashen Bank SC. The following were some of the effects forwarded by sample respondents and the HR manger. Employee's turnover can hinder the overall performance of an organization (reduction in work productivity).This is observed when knowledgeable and highly experienced staffs leave his/her job, it directly affects the work and performance of the organization. They also reported labour turnover has effect in reduction in the quality of product produced, wastage of resources, Further, work is not performed with proper time and quality & slow down job performance i.e., employee not meeting deadlines. In addition, it makes difficult to provide an effective and proper service for the customers and this leads loss of satisfaction on the bank services (i.e., decline in service delivery) as a result it leads loss of customers. It has also extra work load on the remaining staffs i.e., increasing work load for each employee and increasing work stress to present workers, and causes a replacement which is costly and time consuming. The findings were presented below based on the respondent's response.

4.2.3.1.1 Loss of Customers

Respondents were asked regarding the issue of loss of customers due to labour turnover and they proved in their response that labour turnover has effect in loss of customers in their bank who fled to other competitor banks for better service. As figure 4.4.3.1.1 demonstrates that a total of 38% and 29% of the respondents agreed and strongly agreed that poor service provided results in loss of customers, while 14% of the respondents were neutral. Besides, 12% of sample respondents were also disagreed. The remaining 7% of the respondents was strongly disagreed. This implies that staff turnover in an organization is the reasons for consumer frustration for waiting for efficient service.

Figure 4.4.3.1.1 Loss of customers



Source: 2020 survey

4.2.3.1.2 Disruption or a decline of service delivery

In any organization employee's disruptions while performing their work have a negative impact on the service delivery. Basing this fact, the researcher asked sample respondents about this issue. Therefore, as table 4.2.2 below highlights most respondents of this study i.e., 36% strongly agreed that staff turnover causes a disruption in service delivery in an organization.

Table 4.2.2 Disruption or a decline of service delivery

Variable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Disruption or a decline of service delivery	36%	32%	17%	15%	0%

Source: survey 2020.

On the other hand, 32% of the respondents agreed that employee turnover is grounds of the above stated effect on organizations, while 17 % were neutral. The remaining 15% of the respondents disagreed. Thus, it is clear that, if there are staffs that are not at work, the service provided will be reduced compared to when all staffs are at work.

4.2.3.1.3 Increasing Work Load For Each Employee

Respondent's response also illustrates that high staff turnover places unnecessary pressure on staff that is at work. Thus, among the whole sample respondents, a total of 64% of respondents strongly agreed that high employee turnover increases work load for each employee, while 31% of the respondents were agreed. The remaining 5% of respondents neutral on that high turnover increases workload. Therefore, based on the respondent's response and the data collected from other sources, it is possible to understand that employee turnover results in an extra work load for the remaining staff member's performance and on organizational effectiveness. Because work overload is problematic, it resulted that the morale of staff also be lowered. This causes an increase in errors during the performance of activities and results in poor service.

4.2.3.1.4 Reduction In Work Productivity or Performance

When an organization loses a trained and experienced employee, there is a negative impact on innovation, stability in providing service to customers may be endangered, and major delays in the delivery of services to customers i.e., reduction in work performance may occur. In relation to this issue respondents were asked and a total of 64% of the respondents agreed that high staff

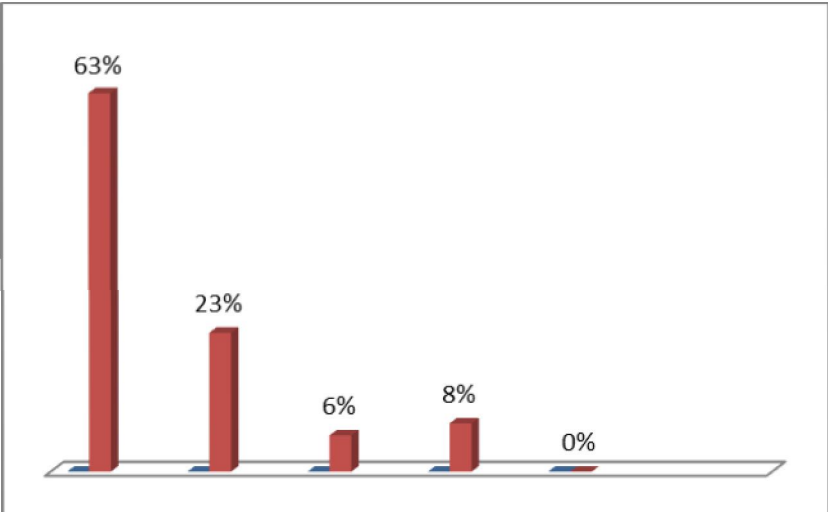
turnover causes reduction in work productivity or performance, while 7% and 13% of the respondents were strongly agreed and neutral respectively. The remaining 16% of the respondents disagreed.

Thus, guaranteeing the good employee stays with the bank will help them compete effectively within the banking industry. Therefore, a decline in the standard of service provided to customers could also adversely affect the satisfaction of internal and external customers and consequently, the profitability of the organization. In general, it affects moral, profitability, efficiency and productivity.

4.2.3.1.5 Decline In The Quality Of Service And Product Produced

The quality of service in the organization decreases as a result of staff shortage. Basing this axiom, the survey result of this study highlights that a total of 63% of the respondents strongly agreed that high staff turnover causes reduction in the quality of product produced and services provided. Further, 23% of them also agreed that it results a decline in the quality of service and product produced, while 6% of the participants were neutral. The remaining 8% of the respondents disagreed. See the following figure that illustrates the situation in detail. Therefore it is clearly understood from the above data that staff shortage as a result of labour turnover would result a decline in the overall quality of services or product produced.

Figure4.4.3.1.5. Decline in the quality of service and product produced



Source: Survey, 2020

4.2.3.1.6 Employee not meeting deadlines(unfulfilled daily functions)

When there was a lack of manpower due to employee turnover, employees were not meeting deadlines or unfulfilled daily functions. Respondents were asked regarding this issue and the result of this survey showed that a total of 59% of the respondents agreed and 21% strongly agreed that staff turnover causes employees not to meet their deadlines (unfulfilled daily functions). While 11% of the respondents were neutral and the remaining 9% of the respondents disagreed. From these responses we can deduce that too much workload in the organization gives to employees not being able to meet their deadlines in the organization because there was a lack of manpower due to staff turnover.

4.2.3.1.7 Wastage of Resources

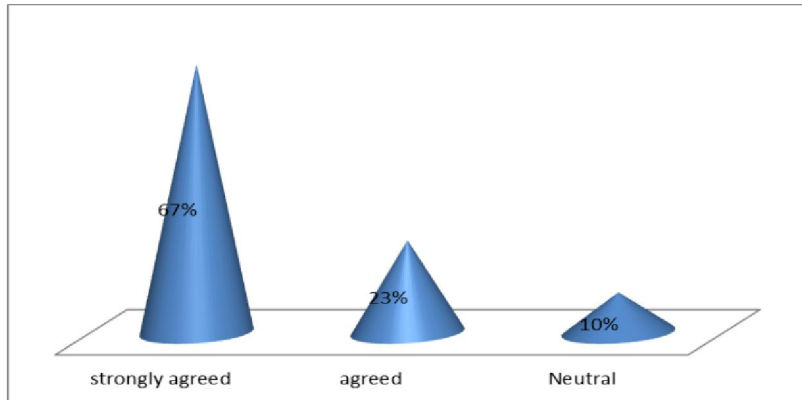
Respondents in their interview explained that, new employees make too many mistakes as they are settling in the organization and cause a great deal of wastage that result organizations practice wasted time owing to inexperienced replacement staff. As a result the organizations spend its time trying to train and orientate the replacement staff rather than doing its job due to the problem of labour turnover.

The finding of this study also proved as majority (66%) respondents strongly agreed that high staff turnover causes too much wastage of resources when new staff settles in. Moreover, 14% responding staff and 8% staff agreed and disagreed with this reason raised respectively. While 9% of the respondents were neutral and the remaining 3% of the respondents strongly disagreed.

4.2.3.1.8 High cost of replacement and training and development

As figure 4.4.3.1.8 shows below, major respondents (67%) participated in this study strongly agreed that organizations will be affected by high cost of recruitment, replacement and training and development of the new worker while 23% of respondents agreed. On the other hand, the remaining 10% respondent staffs were neutral. We can infer from this turnover is costly both to individual banks and the economy as a whole.

Figure 4.4.3.1.8: High cost of replacement and training and development



Source: Survey 2020

In general, there is a relationship between employee turnover and high cost of recruitment, replacement cost and training and development cost that the effects the organization's performance.

4.2.3.1.9 Replacement of poor performers

Respondent's response also illustrates that high employee turnover from banks would help for replacement of poor performers. As the survey result demonstrate majority of respondents i.e., 51% of the respondent staffs agreed that employee turnover helps in replacement of poor performers from an organization. On the other hand, 44% of respondent staffs were neutral. The remaining 5% respondents disagreed.

4.2.3.1.10 Infusion of new knowledge in the organization

Turnover played a pivotal role in introducing new ideas, skills and knowledge into the organization. Thus, the findings of this study show that 44% of respondents strongly agreed that turnover introduce new ideas, skills and knowledge into the organization. On the other hand, 36% of respondent staffs agreed with this. However, 11% of respondents disagreed and the remaining 9% of the respondents were neutral. In this research interview response also showed employees turnover has other positive effects in reducing redundancy in the organization, in opening up promotion channels for employee.

In general, based on the data reviewed from secondary sources, the interview made to HR managers in the bank and the response of filed questioners, employee turnover affects the general performance of organizations including Dashen Bank SC. Therefore, the effect of staff turnover leads to loss of the most competitive and experienced staff in the bank under study and this influences the organization to incur huge expenditure in recruitment and training of the new employees. The new employees' exhibits low level of effectiveness and efficiency in the execution of the organization job task functions and this lowers the performance of the individual employees that in turn lowers the level of organization performance. The bank loses its capacity and could not succeed to accomplish its goal and objective which has effect in its existence. Therefore, care must be taken to reduce or minimize turnover rate as minimum as possible.

4.2.3.2 Correlation Analysis of employee turnover and organization performance

The relationship among all the variables was found by using Pearson's Correlation Coefficient. The correlation value $r = 0.01$ shows that there is a moderate relationship between employee turnover and effect of organization performance, and the p-value shows that the relationship is significant. For employee turnover and loss of customer $r = 0.723$, which shows that these two variables are moderately correlated with one another, also the p-value shows the relationship is significant. Coming to the relationship of employee turnover with disruption or a decline of service delivery, the $r = 0.774$ shows a moderate relationship between the two variables, also p-value shows that the relationship is significant.

Regarding employee turnover and Increasing work Load, and reduction in work productivity or performance for each Employee, the $r = -0.533$ shows a moderate relationship between the two variables, and the p-value shows that the relationship is significant. The value of $r = 0.579$ for employee turnover and decline in the quality of service and product produced shows a moderate relationship, and the p-value shows a significant relationship between them. The $r = 0.221$ for employee turnover and employee not meeting deadlines (unfulfilled daily functions) shows that these two variables are strongly correlated to one another; the p-value shows that the relationship is significant.

Further, wastage of resources and labour turnover is concerned, the correlation value $r = 0.584$ that shows a moderate relationship, and the p-value shows a significant relationship between them. In addition, the value of $r = 0.561$ for employee turnover and high cost of replacement and training and development shows a moderate relationship, and the p-value shows a significant relationship between them. On the other hand, the value of $r = 0.737$ for employee turnover and Replacement of poor performers shows are strongly correlated to one another; the p-value shows that the relationship is significant. Finally, the correlation value 0.632 shows labour turnover and Infusion of new knowledge in the organization a moderate relationship between the two variables, also p-value shows that the relationship is significant. To see the details of correlation between labour turnover and its effect on performance of organization, Annex 2 attached below shows the whole scenario.

4.4.3.3. Regression analysis of employee turnover and organizational performance

Table: 4.4.3.3. (A): Model summary

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.774 ^a	.598	.594	.37198	.598	145.987	1	98	.000
2	.816 ^b	.665	.658	.34134	.067	19.380	1	97	.000
3	.844 ^c	.712	.703	.31842	.046	15.471	1	96	.000
4	.857 ^d	.734	.723	.30729	.023	8.076	1	95	.005
5	.868 ^e	.753	.740	.29757	.019	7.311	1	94	.008

a. Predictors: (Constant), Disruption or a decline of service delivery

b. Predictors: (Constant), Disruption or a decline of service delivery, High cost of replacement and training and development

c. Predictors: (Constant), Disruption or a decline of service delivery, High cost of replacement and training and development, Replacement of poor performers

d. Predictors: (Constant), Disruption or a decline of service delivery, High cost of replacement and training and development, Replacement of poor performers, Infusion of new knowledge in the organization

e. Predictors: (Constant), Disruption or a decline of service delivery, High cost of replacement and training and development, Replacement of poor performers, Infusion of new knowledge in the organization, Wastage of Resources

A measure of the strength of the computed equation is R-square, sometimes called the coefficient of determination. R-square is simply the square of the multiple correlation coefficients R in the Model Summary (See table... above), and represents the proportion of variance accounted for in the dependent variable (employee turnover) by the predictor variable (listed effects of turnover on performance of an Organization).

As we can see from the above table, the correlation coefficients are 0.774, 0.816, 0.844, 0.857, 0.868 and the R-square is 0.598, 0.665, 0.712, 0.734, and 0.753. Thus, the predictor variables of the effects turnover on performance of an organization have shown above are the variance in the dependent variable (employee turnover).

Therefore, The Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable, from the findings in the above table the value of adjusted R squared was 0.594, 0.658, 0.703, 0.723, 0.740, an indication that there was variation of listed on labour turnover rate due to changes in organizational performance at this confidence level. Hence, employee performance explained by financial rewards.

Table 4.4.3.3. (B): ANOVA

ANOVA^f

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.200	1	20.200	145.987	.000 ^a
	Residual	13.560	98	.138		
	Total	33.760	99			
2	Regression	22.458	2	11.229	96.374	.000 ^b
	Residual	11.302	97	.117		
	Total	33.760	99			
3	Regression	24.027	3	8.009	78.991	.000 ^c
	Residual	9.733	96	.101		
	Total	33.760	99			
4	Regression	24.789	4	6.197	65.629	.000 ^d
	Residual	8.971	95	.094		
	Total	33.760	99			
5	Regression	25.437	5	5.087	57.453	.000 ^e
	Residual	8.323	94	.089		
	Total	33.760	99			

a. Predictors: (Constant), Disruption or a decline of service delivery

b. Predictors: (Constant), Disruption or a decline of service delivery, High cost of replacement and training and development

c. Predictors: (Constant), Disruption or a decline of service delivery, High cost of replacement and training and development, Replacement of poor performers

d. Predictors: (Constant), Disruption or a decline of service delivery, High cost of replacement and training and development, Replacement of poor performers, Infusion of new knowledge in the organization

e. Predictors: (Constant), Disruption or a decline of service delivery, High cost of replacement and training and development, Replacement of poor performers, Infusion of new knowledge in the organization, Wastage of Resources

f. Dependent Variable: rate of turnover in the bank

The ANOVA table above, presented results from the test of the null hypothesis that R-square is zero. An R-square of zero indicates no linear relationship between the predictor and dependent variable. The ANOVA table showed above that the computed F statistic is 145.987, 96.374, 78.991, 65.629, and 57.453 with an observed significance level of less than 0.001. Thus, the null hypothesis organizational performance has no significant relationship with employee turnover is rejected.

The Coefficients Table attached in annexes 3 shows that the standardized Beta coefficient between the predictor variables on organizational performance and the dependent variable rate of employee turnover. The Beta coefficient is negative and statistically insignificant at the 0.001 level.

From the regression table, it was found that holding Loss of Customers, disruption or a decline of service delivery, Increasing work load for each employee, reduction in work productivity or performance, decline in the quality of service and product produced, employee not meeting deadlines (unfulfilled daily functions), wastage of resources and high cost of replacement and training and development to a constant zero, labour turnover will be 0.783.

5.1 Possible Mitigating Measures Forwarded By Respondents To Reduce Turnover of Employees

Respondents were also asked about on how to reduce turnover in an organization or retain staffs and they replied as the organization have to put in place the following measures in order to reduce turnover: increment of employees payment, offering of employees benefits and rewards, provision of career development opportunities, recognize good performance.

As table 5.1.demonstrated, it is clear that employee prefers salary increment and special provision of rewards or additional benefits which is 79%. Arranging & developing a proper system of provision of career development opportunities and providing various job related training to employees also occupy a considerable amount of choices among employee respondents, i.e., 66%. 28% of respondents also replied that recognizing good performance and providing promotion to employees can reduce turnover rate. Moreover, 16% of the reply showed that Creating a suitable working conditions or environment helps to retain employees. Besides, 8% of them reported that Establishing and implementing a system of employee involvement in decision making helps much for reducing turnover.

5.1 Table: Measures to reduce or minimize turnover

Solution Proposed	Number Of Employees Mentioned	Percentage
Salary increment of employees and special provision of rewards or additional benefits	79	79%
Arranging & developing a proper system of provision of career development opportunities and providing various job related training to employees	66	66%
Recognize good performance and providing promotion	28	28%
Creating a suitable working conditions or environment	16	16%
Establishing and implementing a system of employee involvement in decision making	8	8%

Source: Survey, 2020

Furthermore, in this research the researcher has also collected the data needed by interviewing the HR Manager of Dashen Bank SC regarding possible measures to tackle labor turnover in their bank. Therefore, the HR manager of the bank responded that salary adjustment and benefit package and creating opportunities for carrier advancement are important measures that the bank should take to reduce the level of turnover.

CHAPTER FIVE

SUMMARY, CONCLUSION & RECOMMENDATION

5.1. Summary

Employee turnover is a very crucial issue for Dashen Bank SC. As a result, based on the findings of this study, the following summary were made: The major research question were

- a. What are the major Causes of Employee Turnover at Dashen Bank?
- b. What are the effects of employees' turnover on performance of Dashen bank?
- c. What are the possible mitigating strategies of reducing (mitigating) employees' turnover in Dashen bank?

Thus, There are different reasons that could cause employee turnover and the most pivotal reasons that most staffs leave their job from the bank understudied was for better opportunity, i.e., for better salary, additional benefits and carrier advancement are the main reasons.

Based on the data reviewed from secondary sources, the interview made with HR managers in the bank and the response of filed questioners, employee turnover affects the general performance of organizations. The study revealed staff turnover leads to loss of the most competitive and experienced staff and this influences the organization to incur huge expenditure in recruitment and training of the new employees. The new employees' exhibits low level of effectiveness and efficiency in the execution of the organization job task functions and this lowers the performance of the individual employees that in turn lowers the level of organization productivity. The bank loses its capacity and could not succeed to accomplish its goal and objective which has effect in its existence.

Therefore, Care must be taken to reduce or minimize turnover rate as minimum as possible. Thus salary adjustment and benefit package and creating opportunities for carrier advancement are important measures that the bank should take to reduce the level of turnover. Besides, employees also stay in their job if there is promotion and suitable working environment.

5.2. Conclusion

The objective of this study was to assess the effects of employee turnover on organization performance in Dashen Bank SC and suggest important possible way out to control and prevent the turnover of employees in the bank understudy. Data were collected and analyzed from primary data of 100 sample respondents of some selected branches of the bank in Addis Ababa and interviewing the HR manger of the Bank including secondary data. Thus, the objectives of the study have been achieved its objective and has found the following basing on the purpose of the study. The success of any organization highly depends on its employees, its technology and the type of materials it has. Among these employees are very critical to the success or failure of any organization.

Therefore, employee turnover has become a serious problem because it brings financial & moral impacts on the organizations scarce resources and failures in its overall success of the organization. High employee turnover has become a problem for every organization in general and banks in particular since well experienced and qualified expertise leaves the position they held. Today, banks faced difficulty to retain well performing, experienced, and soundly trained employees as a result of turnover.

The findings of this study showed us there is high rate of turnover in this bank. For this high rate of employee turnover in this bank, there are various reasons identified in this study. The first evident reason for employees leaving Dashen Bank SC are for the search of additional benefits and better salary followed by absence of opportunity for career advancement. Besides, absence of satisfaction with working conditions and lack of employee involvement in decision making was among the other causes of employee turnover in their bank. Another contributing factor was absence of training programs to improve the skills of these employees. Further, they did not worth the input of the employees, nor did they reward their efforts through right benefits to enhancement employee morale. These factors encouraged employees to leave the bank.

Besides, the study exposed that the effect of turnover of employees on the bank understudied. The following were some of the effects that the study discovered in this bank: hinder the overall productivity of an organization, reduction in the quality of product produced, wastage of resources.

In addition, work is not performed with proper time and quality & slow down job performance, makes difficult to provide an effective and proper service for the customers and this leads loss of satisfaction on the bank services, as a result it leads loss of customers. It has also extra work load on the remaining staffs.

The study has also identified possible ways or measures in order to reduce turnover in the bank. These were increment of employee's payment, offering of employee's benefits and rewards, provision of career development opportunities, recognize good performance.

5.3. Recommendation

For the major findings listed above, the study recommends that the bank to address the following. Primarily, the researcher recommended for minimization of employee turnover owing to the fact that it will save the organization time and money spent on recruiting and training of new employees hence this will give the management time to concentrate on the core business of the entity and avoided the effect of turnover on the organization performance.

Thus, the bank:

- Incentives, Salary and benefit packages are the most common cause of turnover in this organization. If the bank doesn't offer good salaries and benefit, employees tend to leave the jobs and affect the performance of the bank. In order to resolve this problem, the bank is needed a compensation policy which is merit-based and offer salaries and benefits that would be competitive enough against other organizations in the same labour market to retain and attract well-qualified and experienced employees.
- Advancement and promotion are the major reason why many professional employees leave the company. So, career development is the most important retention factor since offering good opportunities for career development not only prevents employees from leaving the bank but it also contributes in a positive way to their loyalty to the bank. Thus, the bank management should concentrate on career growth of the employees. They should be given adequate training and development programs at frequent intervals in order to update their knowledge and skills. Creation of opportunities for career advancement may help staff to become more competent and to enjoy their work even better and add positive impact on the performance of the bank.
- A person does not stay in an organization only for salary but he/she may stay for many other reasons such as, promotion and special support are also attracts more employees too. Thus the bank should adopt various employee motivation techniques such as: introducing awards for hardworking employees by recognizing the efforts and input of employees often which will motivate them to work even harder. This enables the bank to reduce the negative impact of turnover on its performance also Employees prefer to work in an environment which is suitable for them. So, the bank should work on providing all required comfort and ease to perform the job to the employees to retain its qualified and experienced employees.

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Annex 1

QUESTIONNAIRE




Saint Mary university department of marketing management

Questionnaire to be filled by **some selected** Employees of Dashen Bank

Dear respondents;

This questionnaire is designed intending to collect data basing on the following topic: Assessment of employee turnover and organization performance at some selected branches of Dashen Bank in Addis Ababa. You are requested to assist in responding questions as you know them. The information obtained in this questionnaire session is exclusively for academic requirement i.e., for the fulfillment of the Requirements for the Award of the Degree of Master of marketing management. I assure you that, all your responses will be kept in absolute confidentiality and you will not be held responsible for the research outcome. Therefore, your genuine, frank and timely responses are quite vital to determine the success of this study.

NB.

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

Thank you for your cooperation!

BACKGROUND INFORMATION

Part-I: Section A: Demographic factors

1. Gender: Gender

- a) Male
- b) Female

2. Age Year

- a) 18-25 years
- b) 26-35 years
- c) 36-45 years
- d) 46-55 years
- e) 56 and above

3. Marital status
 A. Married
 B. Single
 C. Divorced/Separated
 D. Widowed

4. Educational status or qualification
 A. 12 Complete
 B. Diploma holder
 C. First Degree
 D. Second degree E. PH.D

5. How long have you worked in this organization, length of service years
 a) 1-5 years
 b) 6-10 years
 c) 11- 15 years
 d) 16-20 years
 e) 21 and above

Part-II: Issues Related to Employee Turnover

1. Do you feel that there is employee turnover in your bank? Please encircle the letter of your choice.

- A. Yes
 B. No

2. How do you rate the turnover in your organization? Please encircle the letter of your choice.

- A. Strongly agree there is Very high Labour return
 B. I agree there is High Labour turn over
 C. neutral
 D. disagree
 E. I strongly disagree

3. If your answer is yes for question 2 above, would you please explain the reasons why employees leave the organization? -----

4. In relation to labour turnover, are the following issues are possible causes for employees to leave their organization? Please indicate your level of agreement/disagreement by ticking [√] in the table for your exact feeling based on the scale below.

No	Possible causes of employee turnover	Strongly agree	Agree	Disagree	Neutral
1	Seek of better job opportunity And Job Dissatisfaction				
2	For better salary and benefits				

3	Absence of carrier development				
4	Work environment (unclean, instable, inappropriate..)				
5	Poor Leadership style and supervision				
6	Absence of Monetary reward or compensation (Poor Compensation System)				
7	Job scope (assignment): work load or stress, job fit, autonomy, characteristics...				
8	Low social and interpersonal relationship and Peer group relationship				
9	Poor Training and development opportunity				

5. Please indicate your response regarding the effect of employee turnover organizational performance in Dashen Bank

Possible effect of employee turnover organizational performance	Strongly agree ,	, Agree	Neutral	Disagree	Strongly Disagree
Service provided results in loss of customers.					
Staff turnover causes a decline in services provision. (disrupts service delivery)					
Increasing Work Load for each Employee					
High staff turnover causes reduction in work productivity or Performance					

High staff turnover causes too much wastage of resources when new staff settles in.					
High staff turnover cause employee not to meet their deadlines or Unfulfilled Daily Functions					
High staff turnover causes reduction in the quality of product produced.					
High cost of replacement and for training and development of the new worker					
Replacement of poor performers					
Infusion of new knowledge in the organization					

Part-III General Questions

- 6. In your opinion, are there any other effects of employee’s turnover in your organization performance?
- 7. In your view what should be done to reduce the labor turnover (possible mitigating strategies)?

Thank you so much!!!!

Saint Mary university department of marketing management

Interview Questions to Dashen Bank HR Manager

Dear Respondent

The following are the interview questions to be asked intending to collect data basing on the following topic: *Assessment of employee turnover and organization performance: the case of Dashen Bank*. You are requested to assist in responding questions as you know them. The information obtained in this interview session will be confidential, and only for research purposes I anticipate my gratitude to your assistance

SECTION A: GENERAL INFORMATION (Optional)

Name
Position of respondent

SECTION B: INTERVIEW QUESTIONS.

- 1. Is there labor turnover in your bank and what do you understand by employee turnover rate? -----

2. In your opinion, what do you think the reasons why employees choose to leave this organization? -----

3. What are the effects of employee's turnover? And how do you think employee turnover has affected the bank? -----

4. What measure does the management take to reduce the level of turnover in this organization? -----

Correlations

		rate of turnover in the bank	Loss of Customers	Disruption or a decline of service delivery	Increasing Work Load for each Employee	Reduction in work productivity or performance	Decline in the quality of service and product produced	Employee not meeting deadlines	Wastage of Resources	High cost of replacement and training and developmen t	Replacement of poor performers
rate of turnover in the bank	Pearson Correlation	1	.723**	.774**	.622**	-.533**	.579**	.221*	.584**	.561**	.737**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.027	.000	.000	.000
	Sum of Squares and Cross- products	33.760	50.600	47.520	21.120	-25.840	30.880	10.560	37.760	21.760	25.280
	Covariance	.341	.511	.480	.213	-.261	.312	.107	.381	.220	.255
	N	100	100	100	100	100	100	100	100	100	100
Loss of Customers	Pearson Correlation	.723**	1	.948**	.876**	-.352**	.808**	.563**	.878**	.910**	.813**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross- products	50.600	145.000	120.700	61.700	-35.400	89.300	55.600	117.600	73.100	57.800
	Covariance	.511	1.465	1.219	.623	-.358	.902	.562	1.188	.738	.584
	N	100	100	100	100	100	100	100	100	100	100
Disruption or a decline of service delivery	Pearson Correlation	.774**	.948**	1	.849**	-.478**	.758**	.462**	.829**	.883**	.818**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000

	Sum of Squares and Cross- products	47.520	120.700	111.790	52.490	-42.180	73.510	40.120	97.520	62.270	51.060
	Covariance	.480	1.219	1.129	.530	-.426	.743	.405	.985	.629	.516
	N	100	100	100	100	100	100	100	100	100	100
Increasing Work Load for each Employee	Pearson Correlation	.622**	.876**	.849**	1	-.319**	.891**	.411**	.863**	.907**	.836**
	Sig. (2-tailed)	.000	.000	.000	.001	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross- products	21.120	61.700	52.490	34.190	-15.580	47.810	19.720	56.120	35.370	28.860
	Covariance	.213	.623	.530	.345	-.157	.483	.199	.567	.357	.292
	N	100	100	100	100	100	100	100	100	100	100
Reduction in work productivity or performance	Pearson Correlation	-.533**	-.352**	-.478**	-.319**	1	-.293**	-.044	-.278**	-.294**	-.417**
	Sig. (2-tailed)	.000	.000	.000	.001	.003	.661	.005	.003	.000	
	Sum of Squares and Cross- products	-25.840	-35.400	-42.180	-15.580	69.560	-22.420	-3.040	-25.840	-16.340	-20.520
	Covariance	-.261	-.358	-.426	-.157	.703	-.226	-.031	-.261	-.165	-.207
	N	100	100	100	100	100	100	100	100	100	100
Decline in the quality of service and product produced	Pearson Correlation	.579**	.808**	.758**	.891**	-.293**	1	.442**	.734**	.843**	.778**
	Sig. (2-tailed)	.000	.000	.000	.000	.003	.000	.000	.000	.000	.000

	Sum of Squares and Cross-products	30.880	89.300	73.510	47.810	-22.420	84.190	33.280	74.880	51.630	42.140
	Covariance	.312	.902	.743	.483	-.226	.850	.336	.756	.522	.426
	N	100	100	100	100	100	100	100	100	100	100
Employee not meeting deadlines(unfulfilled daily functions	Pearson Correlation	.221*	.563**	.462**	.411**	-.044	.442**	1	.641**	.576**	.282**
	Sig. (2-tailed)	.027	.000	.000	.000	.661	.000	.000	.000	.000	.004
	Sum of Squares and Cross-products	10.560	55.600	40.120	19.720	-3.040	33.280	67.360	58.560	31.560	13.680
	Covariance	.107	.562	.405	.199	-.031	.336	.680	.592	.319	.138
	N	100	100	100	100	100	100	100	100	100	100
Wastage of Resources	Pearson Correlation	.584**	.878**	.829**	.863**	-.278**	.734**	.641**	1	.859**	.720**
	Sig. (2-tailed)	.000	.000	.000	.000	.005	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	37.760	117.600	97.520	56.120	-25.840	74.880	58.560	123.760	63.760	47.280
	Covariance	.381	1.188	.985	.567	-.261	.756	.592	1.250	.644	.478
	N	100	100	100	100	100	100	100	100	100	100
High cost of replacement and training and development	Pearson Correlation	.561**	.910**	.883**	.907**	-.294**	.843**	.576**	.859**	1	.756**
	Sig. (2-tailed)	.000	.000	.000	.000	.003	.000	.000	.000	.000	.000

	Sum of Squares and Cross-products	21.760	73.100	62.270	35.370	-16.340	51.630	31.560	63.760	44.510	29.780
	Covariance	.220	.738	.629	.357	-.165	.522	.319	.644	.450	.301
	N	100	100	100	100	100	100	100	100	100	100
Replacement of poor performers	Pearson Correlation	.737**	.813**	.818**	.836**	-.417**	.778**	.282**	.720**	.756**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.004	.000	.000	
	Sum of Squares and Cross-products	25.280	57.800	51.060	28.860	-20.520	42.140	13.680	47.280	29.780	34.840
	Covariance	.255	.584	.516	.292	-.207	.426	.138	.478	.301	.352
	N	100	100	100	100	100	100	100	100	100	100
Infusion of new knowledge in the organization	Pearson Correlation	.632**	.850**	.866**	.724**	-.406**	.610**	.512**	.855**	.731**	.747**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	35.840	99.900	89.430	41.330	-33.060	54.670	41.040	92.840	47.590	43.020
	Covariance	.362	1.009	.903	.417	-.334	.552	.415	.938	.481	.435
	N	100	100	100	100	100	100	100	100	100	100

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

* . Correlation is significant at the 0.05 level (2-tailed).

Annex 2

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.783	.083		9.431	.000					
	Disruption or a decline of service delivery	.425	.035	.774	12.083	.000	.774	.774	.774	1.000	1.000
2	(Constant)	.905	.081		11.163	.000					
	Disruption or a decline of service delivery	.692	.069	1.259	10.072	.000	.774	.715	.592	.221	4.531
	High cost of replacement and training and development	-.479	.109	-.550	-4.402	.000	.561	-.408	-.259	.221	4.531
3	(Constant)	.332	.164		2.020	.046					
	Disruption or a decline of service delivery	.550	.074	1.002	7.486	.000	.774	.607	.410	.168	5.961
	High cost of replacement and training and development	-.530	.102	-.609	-5.177	.000	.561	-.467	-.284	.217	4.604
	Replacement of poor performers	.372	.095	.378	3.933	.000	.737	.373	.216	.325	3.073
4	(Constant)	.314	.159		1.979	.051					
	Disruption or a decline of service delivery	.705	.089	1.283	7.887	.000	.774	.629	.417	.106	9.457
	High cost of replacement and training and development	-.577	.100	-.663	-5.759	.000	.561	-.509	-.305	.211	4.732
	Replacement of poor performers	.412	.092	.419	4.461	.000	.737	.416	.236	.318	3.147
	Infusion of new knowledge in the organization	-.183	.064	-.308	-2.842	.005	.632	-.280	-.150	.238	4.194

5	(Constant)	.417	.158		2.635	.010						
	Disruption or a decline of service delivery	.769	.090	1.399	8.569	.000	.774	.662	.439	.098	10.160	
	High cost of replacement and training and development	-.796	.126	-.914	-6.298	.000	.561	-.545	-.323	.124	8.035	
	Replacement of poor performers	.418	.089	.425	4.675	.000	.737	.434	.239	.318	3.149	
	Infusion of new knowledge in the organization	-.325	.082	-.546	-3.986	.000	.632	-.380	-.204	.140	7.162	
	Wastage of Resources	.194	.072	.371	2.704	.008	.584	.269	.138	.139	7.179	

a. Dependent Variable: rate of turnover in the bank

Annex 3