



**THE EFFECTS OF JOB SATISFACTION ON EMPLOYEES'
TURNOVER INTENTION: THE CASE OF COOPERATIVE
BANK OF OROMIA S.C.**

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The effects of Job Satisfaction on Employees' Turnover Intention:

The case of Cooperative Bank of Oromia S.co

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DECLARATION

I, Luladay Semeles, declare that the work entitled “**The effects of Job Satisfaction on Employees’ Turnover Intention**” “The case of Cooperative Bank of Oromia S.co is the outcome of my own effort and study and that all sources of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of my Research Advisor. This study has not been submitted for any degree in this University or any other University. It is submitted for the partial fulfillment of the Master degree in Human Resource Management.

Luladay Semeles

Signature & Date

CERTIFICATION

This is to certify that Luladay SHEMELES has carried out this project work on the topic - **“The effects of Job Satisfaction on Employees’ Turnover Intention “The case of Cooperative Bank of Oromia S.co** under my supervision. This work is original and suitable for the submission in partial fulfillment of Master degree in Human Resource Management.

Abeba Beyene Mengistu (PhD)

Advisor

Signature & Date

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List of abbreviation and acronyms

CBO : Cooperative Bank of Oromia S.C

HR : Human Resource

SPSS : Statistical Package for Social Science

ANOVA : Analysis Of Variance

Abstract:

The main purpose of this study is to examine the effects of job satisfaction on employees' turnover intention in Cooperative Bank of Oromia S.C. The study is conducted using a sequential transformative mixed research approach with descriptive and explanatory research design. The primary data is collected using a self-administered structured questionnaire and interview with the employees of the bank. In addition secondary data is collected from the bank and related studies. The collected data were analyzed using descriptive statistics and multiple regressions. The correlation result revealed that the four job satisfaction factors are negatively and significantly related to turnover intention of employees'. Among the four job satisfaction factors, Pay satisfaction is the most predictor to turnover intention of employees' based on the regression result. The study recommends that the management of CBO should continuously examine and improve the existing HR policy and procedure on Pay and benefit structure which can guarantee continuous satisfaction of employees of the bank and to keep them retained in the bank.

Key words: Job satisfaction, Intention of employees' turnover, Pay, Nature of work, Supervision and Promotion opportunity.

CHAPTER ONE

INTRODUCTION

This chapter introduces the research problem and the associated research questions to be answered and objectives to be achieved. It also includes the background of the study, background of the company, significance of the study, scope of the study, limitation of the study, organization of the paper, time schedule, and budget.

1.1 Background of the Study

Nowadays, a modern human resource management practice states, establishing a partner relationship between human resource and strategic objective of the organization is the basis for success of the organization (Lambert, Hogan & Barton, 2001). This practice is mostly emphasizes the importance of the human aspect of the organization as it is the most valuable asset. Human resource is important for organizational existence and development. HR professionals and organization executives are seen implementing different mechanisms to retain their experienced employees. Depending on the mechanisms organizations are implementing, they are able to retain their employees or reduce employees' turnover. They focus on turnover for three main reasons: it has significant cost implications; it affects overall business performance; and it has the potential to become difficult to control, resulting in a talent crisis, where it is hard to find quality candidates with the skill sets required to fill open positions (Lambert, Hogan & Barton, 2001).

For the past few decades, employee retention has been of interest to researchers and employers in various fields. To remain competitive in the rapidly expanding global economy

and to keep pace with technological advances requires a workforce with strong institutional knowledge; therefore, employee retention is of great importance to organizations (Benko & Weisberg, 2007).

Prior research has shown that job satisfaction is strongly and inversely associated with employee's intention to leave an organization (Egan, Yang & Bartlett, 2004; Lambert, Hogan & Barton, 2001). In other words, more satisfied employees are less likely to seek a new job, with a new employer. For this reason, studying the factors associated with job satisfaction is practical and valuable.

A number of scholars (Benko, 2007; Lambert et al, 2001; Spector, 1997) stressed the importance of employee satisfaction and its influences on employee turnover. The concept of employee satisfaction is a multi-dimensional and interdisciplinary term that has attracted the attention of researchers and practitioners from different disciplines such as psychology, human resource management, organizational behavior and others.

Turnover is a function of negative job attitudes, low job satisfaction, combined with an ability to secure employment elsewhere, i.e. the state of the labor market (Price, 1981). On the other hand, turnover is a normal part of organizational functioning, and while excessively high turnover may be dysfunctional, a certain level of turnover is to be expected and can be beneficial to an organization (Michael, 2006).

Different literatures have elaborated the distinction between actual turnover and the concept of turnover intention. Mobley (1978) defined turnover intention as the intention to leave the job on voluntary basis. Turnover intention is the best predictors of actual turnover. Mobley (1978) described turnover intention as the final cognitive step in decision making process of leaving or staying.

Employee's turnover intention is a deprived feeling or need of employee's to leave their organization which is working in (Bhat, 2013). Bluedom (1982) recommended the use of turnover intention over actual turnover is preferred because actual turnover is more difficult to predict than intentions as there are many external factors that affect turn over behavior. Turnover intention has been widely used in many researches as an appropriate dependent variable as it is linked with the actual turnover and more preferably show the feeling of currently working employees.

Job satisfaction has been used as one of determining variable of turnover intention. Job satisfaction is a factor that in the long run will be able to encourage employees to work. High attention must be given to employee job satisfaction to avoid cost of recruitment in the process of replacing left employee. Job satisfaction is the main predictor of turnover intention. Job satisfaction can be used to predict turnover (Spector, 1997).

Having this in mind the researcher will try to make an assessment on the effects of job satisfaction on employee turnover intention of Cooperative Bank of Oromia Share Company (CBO).

1.2 Background of the Company

CBO is established to provide all banking service and products. It was registered on 29th October 2004 in accordance with Article 304 of the commercial code of Ethiopia and was licensed by National Bank of Ethiopia as per proclamation No. 84/1994 that provides for licensing and supervision of banking businesses. The bank commenced operation on 8th of March, 2005 (Cooperative Bank Of Oromia S.C.,2013).

The Bank envisions being competent, reputable and socially responsible bank in Africa. Its mission is to provide full-fledged and customer responsive banking services for cooperative societies, other entities, and individuals with special emphasis to agricultural and agro-based business financing and to maximize shareholder's value through use of competent and disciplined employees, visionary leaders, and modern banking technologies. The core values and principles the bank honors include respect to socio-cultural attributes of the people, integrity, honesty and loyalty, valuing customers' comments, professionalism and transparency Cooperative Bank Of Oromia S.C.,(2013)..

The apex body of the CBO is the General Assembly of shareholders/owners of the bank who have the basic right to decide the objectives, existence and operations of the bank. The General Assembly elected representatives, the Board of Directors, to whom all the powers to run the Bank are bestowed upon. Board of directors hires the president of the bank who is entrusted to perform the functions relating to policy matters, implementation and supervision. Functional departments at Head Office level and branches are in charge of the implementation of policies and strategies of the bank (Cooperative Bank Of Oromia S.C., 2013).

CBO started operation with all its branches. Currently the bank has a total of 186 branches in operation. The authorized capital of CBO is ETB300 million. Its paid up capital was ETB112 million when established. Currently the paid up capital of the bank reached nearly ETB 1,000 million in October 2016. Shareholders of CBO are cooperatives, development organizations, individuals and Pvt. Ltd. Companies.

The bank human resource management organ is organized under HRM and Administration Department as a HRM and Development Division. The Department reports to

Vice President Corporate Service. The bank has 2,325 employees at branch and head office level at the end of October 2016.

1.3 Statement of the Problem

High employee turnover have significant impact on employee's performance. The average voluntary turnover for the banking and finance industry was 12.8% in the year 2013 and 13.3% in the year 2014 (Bares, 2014).

SUMMARY OF TURNOVER DATA OF CBO For Five Years Period 2012-2016

Year	Total No. of Employees	No. of Employees Voluntarily Left During the Year	Yearly Percentage of Voluntary Turnover	Common Reasons for Voluntary Turnover During the Year
2012	1325	69	5%	Better opportunity, Dissatisfaction on salary and benefits
2013	1666	155	9%	Job dissatisfaction, Starting personal business
2014	1698	217	13%	Dissatisfaction on salary and benefits, Better opportunity
2015	2000	141	7%	Job dissatisfaction, Starting personal business
2016	2577	365	14%	Dissatisfaction on salary and benefits, Better opportunity
Average Turnover		189	10.2%	

Table 1: Summary of turnover in CBO

Source: Human Resource Department of CBO Record, 2017

As can be seen from the above table, Cooperative Bank of Oromia Share Company faced a turnover of 5% in the year 2012, 9% in the year 2013, 13% in the year 2014, 7% in the year 2015, 14% in the year 2016. The average turnover for the five year period was 10.2%. The firm has established its own ideal turnover rate as 5% and we can see that the turnover for the year 2013, 2014, 2015 and 2016 is higher than the acceptable/ideal turnover rate.

Conducting exit interview of resigned employees is one of the bank's policy and practice. According to the information obtained from the exit interview data of the personnel records of the Bank, turnover of employees had both internal and external causes. Among the reasons of employee turnover were lack of satisfaction due to remote area assignment and demotion, uncompetitive pay, monotonous work, lack of proper supervision, lack of promotion opportunity, and availability of better job opportunity in the labor market, travel to abroad, opening up of personal business and non-conducive working environment etc. Job satisfaction is indicated as one of the internal factors, which the researcher wanted to focus. Job satisfaction may be defined as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Dunnette & Locke, 1976).

In July 2016 the bank made organization structural change with attractive salary and benefit adjustment. Therefore, this paper examined whether there is an employee turnover intention after the change. The researcher tried to examine the effects of satisfaction with pay, promotion opportunity, nature of work and supervision level on employees' turnover intention in the bank.

1.4 Research Question

The main research question of this research paper is,

“What is the effect of job satisfaction on employee turnover intentions of CBO?”

The sub questions that need to be answered in order to address the main research question are:

1. What is the effect of satisfaction with pay on employee turnover intention?
2. What is the effect of satisfaction with promotional opportunity on employee turnover intention?
3. What is the effect of satisfaction with nature of work on employee turnover intention?
4. What is the effect of satisfaction with supervision level on employee turnover intention?

1.5 Objective of the Study

1.5.1 General Objective

The general objective of this research is to examine whether job satisfaction has effects on employee turnover intentions in CBO.

1.5.2 Specific Objective

The specific objectives of this research are:

1. To examine the effects of satisfaction with pay on employees' turnover intention.
2. To examine the effects of satisfaction with promotion opportunity on employees' turnover intention.
3. To examine the effects of satisfaction with nature of work on employees' turnover intention.

4. To examine the effects of satisfaction with supervision on employees' turnover intention.

1.6 Significance of the Study

The researcher believes that this research will have importance in helping the management of CBO, as a primary concerned body, by minimizing cost of employment procedure, retaining valuable employees, and facilitating decision making process. This research will also help managers to improve the working condition of employees by clearly identifying the relationship between job satisfaction and turnover. In addition, the research will provide lesson to other similar banks. Finally, the study will serve as a baseline for future studies on the impacts of job satisfaction on employees' turnover intention.

1.7 Scope of the Study

This study is conducted on all department and Addis Ababa branch of Cooperative Bank of Oromia. The study is limited to examine the effect of satisfaction with pay, promotion opportunity, nature of work, and supervision which is internal to the organization.

1.8 Organization of the Paper

The general structure of the research is divided into five chapters. The first chapter is introduction, which comprises background of the study, statements of the problem, objective the study and other related issue. Chapter two deals with the review of the related literature, chapter three reflects on research methodology, chapter four contains results and discussion, and finally chapter five deals with conclusion and recommendation.

1.9 Definition of Terms

Branch management: Among employees of the bank who are working at branches as Branch Manager, Assistant Branch Manager, Loan Section Head, International Banking Section Head are classified as branch management team. The team performs the managerial function of their respective branches (CBO procedure manual, 2015).

Officer: It is a common name for those employees working as an expert in different operational areas of specific branch. Their occupational classification is below the branch management team. Loan officers, International Banking Officers, Accountant, Auditors and Cashers are included (CBO procedure manual, 2015).

Clerk: This classification includes loan clerk, international banking clerk, forex clerk and customer service clerk. Positions in this job category are graded below officers (CBO procedure manual, 2015).

Non-clerical staff: This includes employees working on the positions other than supervisory, officer and clerical. These are guard, cleaner, typist, messenger, cash office girl etc (CBO procedure manual, 2015).

Branch: This is an outlet of the Bank through which the Bank provides its service to customers using own or rented buildings. Each branch has its own management team, officers, clerks and non-clerical staff (CBO procedure manual, 2015).

Job satisfaction may be defined as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Dunnette & Locke, 1976).

Employee turnover is defined 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 (Mbah & Ikemefuna, 2012).

Employee Turnover intention is a depraved feeling or need of an employee's to leave the organization they are working in (Bhat, 2013).

CHAPTER TWO

REVIEW OF RELATED LITERATURE

In this part of the proposal, the researcher tries to discuss different literatures on employee turnover intention and job satisfaction with pay, promotion opportunity, nature of work and supervision level.

2.1 The Concept of Employee Turnover Intentions

Employee turnover is an important factor influencing employee productivity and other results. Mor, Nissly, Levin (2001) suggested that employee turnover is terror and costly. Hence employee turnover takes managers' attention. Employee turnover intention is the only best indicator of turnover.

Intention to turnover refers to an individual's perceived probability of staying or leaving an employing organization (Cotton & Tuttle, 1986). Tett and Meyer (1993), on the other hand, referred to turnover intentions as a conscious and deliberate willfulness to leave the organization. Intentions are, according to researchers such as Fishbein and Ajzen (1975), the most immediate determinants of actual behavior/turnover.

Employee turnover is defined 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. The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations. Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Mbah & Ikemefuna, 2012). They do not tell the whole story, but if turnover is significantly higher than in comparable organizations, this should stimulate action to

investigate why this is the case and to do something about it (Michael, 2010). Employees are seen as a major contributor to organizations competitive advantage, and to maintain this advantage employee turnover should be discouraged by management. Those organizations which are ignorant to employee turnover problem or retention of employees will get difficulty in achieving organizational objectives.

Intention of employees' turnover is workers' feeling towards for better working environment. A turnover intention is a mental decision prevailing between an individual's approach with reference to a job to continue or leave the job.

Turnover intentions are the instant connection to turnover behavior (Hussain and Asif 2012). Employees' turnover intention is a corrupt feeling of currently working employees to resign from the bank. Employee's turnover intention or intention to leave or quit is a depraved feeling or need of employee's to leave organization which are working in (Bhat, 2013).

One's intention to perform a specific behavior is the immediate determinant of that behavior and worker's "intention to leave" is considered a sign of quitting. This positive relationship is supported by the attitude-behavior theory (Mahadi, 2012).

Turnover intention has been widely used in many researches as an appropriate dependent variable as it is linked with actual turnover. Bluedom (1982) recommended the use of turnover intention over actual turnover is preferred because actual turnover is more difficult to predict than intentions as there are many external factors that affect turn over behavior (Mbah & Ikemefuna, 2012)

Employee turnover is one of the major concerns of HR practitioners since resignation of value contributing employees affects the performance and competitiveness of the organization. Dissatisfaction on the job increases the rate of employee turnover intention in organization.

2.2 Job Satisfaction

Employee job satisfaction has influence on employee turnover in organizations. This implies that the extent to which an organization ability to retain its employees depend on the level of job satisfaction of the workers.

Job satisfaction may be defined as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Dunnette & Locke, 1976). This positive feeling results from the perception of one's job as fulfilling or allowing the fulfillment of one's important job values, provided these values are compatible with one's needs (Dunnette & Locke, 1976). Job satisfaction encompasses specific aspects of satisfaction related to pay, benefits, promotion, working conditions, supervision, organizational practices and relationships with co-workers (Misener et al., 1996). Locke and Henne (1986) define job satisfaction as the pleasurable emotional state resulting from the achievement of one's job values in the work situation. Glick (1992) view job satisfaction as an effective response by individuals resulting from an appraisal of their work roles in the job that they presently hold.

Job satisfaction is one of the factors that contribute to people's intention to quit their jobs .A job that entails high pay, greater promotional opportunities, interesting work nature, high security and fair supervision is assumed to create positive feelings of well-being about their job.

2.3 Job Satisfaction with Pay

Employees seek to improve their employment conditions when they change job. Herbert, Donald, John, and Lee (2000) stated organizations pay level is a potentially important direct influence on voluntary turnover. Thus, pay is one of a determinant factor, employees' quits

current job and accept new job with higher pay opportunity. Therefore, organizations should critically be aware of that low wage rate will result into high employee turnover intention and separation. According to Lockhead and Stephens (2004), companies in highly competitive local labor markets are expected to pay highly competitive rates against their competitors in each of their job classification.

Job environment characterized by fixed earnings create difficulty for managers in retaining employees. Employee job satisfaction has influence on employee turnover in organizations. Implication of this is that the extent to which an organization is able to retain its employees depends on the level of job satisfaction that is made available to these workers (Mbah & Ikemefuna, 2012). Salary is the basic requirements of employee.

Employees are satisfied with existing pay system if they believed that rewards or incentives are paid based on fairness and considering seniority or performance evaluation of all employees (Herbert et al, 2000). A job is the primary source of income and financial security for most people. Pay is also is an indicator of status within the organization and in society at large, so it contributes to some people's self-worth. Gedefaw (2012) on his research claimed that, salary and benefit were one of the major reasons for secondary school teachers' dissatisfaction in Ethiopia. Low level pay has made a significant impact on teacher's classroom performance and on the quality of education. Therefore, we can understand that pay satisfaction is important issue to employees' turnover intention.

Shukla and Sinha (2013) examined influence of various factors on employee turnover in urban and semi urban banks. They used a self-developed questionnaire and analyzed collected data using SPSS. Their finding showed that Work Environment, Job Stress, Compensation

(Salary), Employee relationship with management and Career Growth have significantly influenced employee turnover in banking sector.

A study carried out by Rahman and Iqbal (2013) examined the relationship between job satisfaction and turnover intention of private commercial bank employees in Bangladesh. In their study, they considered some common factors that contribute directly and indirectly to the employees mind to take the actual decision regarding the job satisfaction and employees turnover, which were the security of their existing job, compensation and job related facilities, working environment & schedule, location of bank, employee's autonomy, career advancement opportunity, performance appraisal process and evaluation, goodwill of the bank, peers relation among the employees etc. The researchers used both primary and secondary sources for collecting data to conduct the study. Data were analyzed through hypothesis testing. Their findings showed that the above factors affected job satisfaction subsequently, in turn, it impacted turnover.

The theory of equity explains individuals are motivated by fairness, and if they identify inequities in the input or output ratios of themselves and their referent group, they will seek to adjust their input to reach their perceived equity (Pritchard, Dunnette, and Gorgenson, 1972). Pay satisfaction is caused, in part, by perceptions regarding the equity of one's pay. Pay satisfaction can be seen as a substitute for fairness and justice, which in return has a direct impact on employees' motivation and turnover (Singh and Loncar, 2010).

Therefore, on the basis of the literatures reviewed above and according to the belief of the theory of equity, the researcher makes the following hypothesis:

Hypothesis 1: Pay satisfaction is negatively related to employees' turnover intention.

2.4 Job Satisfaction with Promotion Opportunity

According to Allen (2008), career development and advancement is one of leading factor that contributes to employee turnover intention and separation. Career development is a process through which the action plans are implemented. It is where individual career plans encounter organizational realities (Herbert, Donald, John, & Lee, 2000). It is a guarantee for an employee to be promoted. Structured and well functioning development plan of an organization encourage employees and enable them to have equal opportunity and make themselves promotable at their firm. It also provides continues opportunity for each employee to grow, by learning new subject and meet new challenges. Such a clear and equal opportunity in career development build sense of organizational ownership and minimizes employee turnover and separation (Byars & Leslie 2004). These authors stated that career development is an ongoing formalized effort by an organization that focuses on developing and enriching the organization's human resources in light of both the organization and individual needs. Career development can reduce costs due to employee turnover, improve moral of employees, boost productivity, and help the organization becomes more efficient. Career development has a positive effect on the employees' turnover intention.

Ali (2008) conducted a study to investigate ten factors of satisfaction (pay, security, nature of work, working condition, colleagues (integration), supervision, communication, reward, promotion and social status). These factors were considered to have an important bearing on the turnover intention of teachers in private school. From the ten factors identified by the researchers, only three (satisfaction with pay, satisfaction with security, and satisfaction with promotion) were found to have a strong negative relationship with employee's turnover intention.

Salleh, Nair and Harun (2012) studied to determine the levels of job satisfaction, organizational commitment and turnover intention of employees in a retail company in Malaysia. They also investigated the relationship between job satisfaction and organizational commitment on turnover intention. They used questionnaire to collect data. In their findings the effects of job satisfaction on employees' turnover intention factors such as promotion, work it-self and supervisors and organizational commitment were significantly related to turnover intention.

Herzberg in his motivation theory argued that employees are motivated by internal values rather than values that are external to the work. In other words, motivation is internally generated and is derived by variables that are intrinsic to the work which Herzberg called "motivators" (Swanepoel. et al, 2003). Intrinsic factors such as achievement, recognition, the work itself, responsibility, advancement, and growth, seem to be related to job satisfaction (Mbah & Ikemefuna, 2012).

Thus, on the basis of the literatures reviewed above and according to the belief of Herzberg motivation theory, the researcher makes the following hypothesis:

Hypothesis 2: Satisfaction with Promotion and growth is negatively related to employee turnover intention.

2.5 Job Satisfaction with Nature of Work

Work rewards refer to the intrinsic and extrinsic benefits that workers receive from their jobs (Kalleberg, 1977). Two important groups of work rewards have been identified as task and organizational rewards. Task rewards refer to those intrinsic rewards directly associated with doing the job (Katz and Maanan, 1977). They include such factors as interesting and challenging work, self-direction and responsibility, variety and opportunities to use one's skills and abilities.

Attractiveness of a job differs from job to job based on the nature of the work. Some jobs are intrinsically more attractive than others. 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.

Mbah, and Ikemefuna. (2012) studied on job satisfaction and employees' turnover intentions in total Nigeria Plc. in Lagos state. The researchers considered satisfaction with pay, nature of work and supervision as the three facets of job satisfaction that affect employee turnover intention. Authors adopted a survey method for administration of questionnaires, simple descriptive percentage method, and chi-square method. Their conclusion was job satisfaction reduces employees' turnover intention and that Total Nigeria Plc, adopts standard pay structure, suitable nature of work and efficient supervision not only as strategies to reduce employees' turnover but also as the company retention strategy.

The above discussed Herzberg motivation theory supports the relationship of this independent variable and turnover. Thus, on the basis of the literatures reviewed above and according to the belief of Herzberg motivation theory, the researcher makes the following hypothesis:

***Hypothesis 3:** satisfaction with the nature of work is negatively related to turnover intention.*

2.6 Job Satisfaction with Supervision

Employees are one of the most valuable assets in the organization so that leader need to lead in a way that enhance employees motivation level for effective and efficient

accomplishment of the organizational objectives such as productivity, profitability, and growth interns minimizes staff turnover.

Numerous researchers (such as: Mbah, and Ikemefuna, Salleh, Nair and Harun, Ali, Herbert, Donald, John, & Lee) have attempted to answer the question of what determines people's turnover intention by investigating possible previous circumstances that lead to employees' intentions to quit. Level of supervision is one of the circumstances. Supervisor is a frontline manager who is responsible for the supervision of employees. The close relationship among the co-workers and supervisors can improve the rate of employee satisfaction (Tian-Foreman, 2009). Thus, supervisory satisfaction is an important issue for employee's turnover.

Quality of supervision and support is one of the influential factors for employee to leave their job or intent to leave. The study conducted by Ng'ethe, Namusonge, and Mike, (2012) in public universities revealed that, unfavorable leadership practice was one of the basic reason for employees to leave. Therefore, high attention must be given to the importance of supervisory support to the operation of the organization in terms of minimizing employee turnover.

Mahmud and Idrish (2011) conducted research on impact of HRM practices on turnover of bank employees in Bangladesh. They evaluated six Human Resource (HR) practices such as realistic job information, job analysis, work family balance, career development, compensation and supervisor support and their likely impact on the employee intention to leave. The researchers' result indicated that job analysis, career development, compensation, realistic job information variables and supervisor support were negatively and significantly correlated with employee intention to leave.

Hatton and Emerson (1998) found that actual staff turnover was predicted in part by low levels of support from superiors. Moore (2001) found that social support from supervisors

reduced the level of nurses' burnout and indirectly, reduced nurses' intention to quit. Kalliath and Beck (2001) also found that supervisory support reduced not only those symptoms of burnout but also directly and indirectly reduce nurses' turnover intention. Munn, Berber, and Fritz (1996), in a study of American child life specialists, found lack of supervisor support was the best predictor of job dissatisfaction and intention to leave a job (Mahadi, et al, 2012).

The relationship between supervisor support and turn over can be explained by the social exchange theory. Social exchange theory suggests that in order for relationships to continue, both parties in the relationship must feel that they are receiving something of value. As Gouldner (1960) suggested, if one party treats the other party well, the reciprocity norm compels the rewarded party to return the favor. Within a social exchange relationship, employees offer dedication and loyalty to the organization through reduced absenteeism and turnover along with heightened performance (Rhoades & Eisenberger, 2002). Employers and employees navigate a two-way street of social exchange, on which both parties can be mutually rewarded.

Therefore, on the basis of the literatures reviewed above and according to the belief of Social exchange theory, the researcher makes the following hypothesis:

Hypothesis 4: Supervisor's support is negatively related to employee turnover intention.

2.7 Research Framework

According to the above research literature, the independent variables are job satisfaction with pay, promotion opportunity, nature of work and supervision. The dependent variable is employee turnover intention. Based on these variables, a conceptual framework is constructed as shown below.

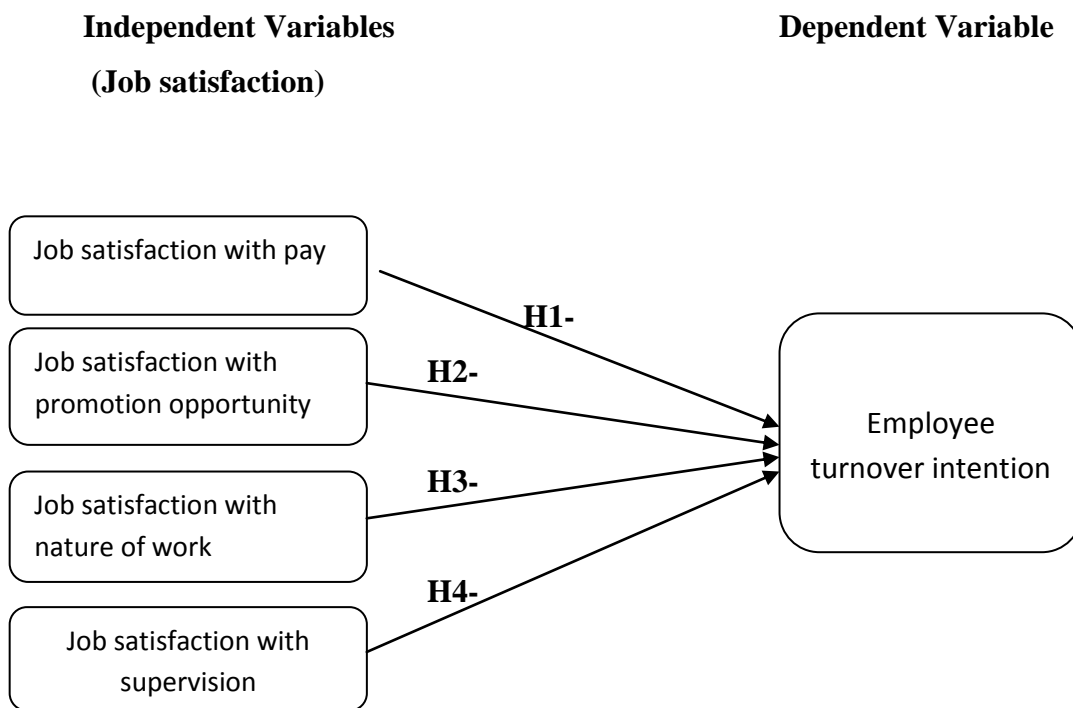


Figure 1: Theoretical frame work for job satisfaction and employee's turnover intention.

Source: Adapted from (Mbah & Ikemefuna, 2012).

CHAPTER THREE

RESEARCH METHODOLOGY

The purpose of this research is to examine whether job satisfaction has effect on employee turnover intentions in CBO.

3.1 Description of the Study Area

The target population of this study is employees of Cooperative Bank of Oromia Share Company who are working in head office and Addis Ababa branches in different job categories or levels of activities (managerial and non managerial). The outlying branch is ignored because of time and financial resource constraints.

3.2 Research Approach

The research followed sequential transformative mixed research methods. This method uses both quantitative and qualitative data collection method and integrates results gained from both methods in the analysis phase (Creswell, 2003). The researcher collected quantitative data from sample of employees and qualitative data from selected manager and HR experts. Therefore, this method was the best way to conduct the research and for better understanding of the problem under study.

3.3 Research Design

The researcher used both descriptive and explanatory research design. The research uses descriptive research design since it includes surveying and fact finding, and explanatory or causal research design since it examines the relationship between satisfaction with pay,

promotion opportunity, nature of work and supervision on one hand and intention of employees' turnover.

3.4 Population and Sample

The population is those employees who are working in the CBO. There are 2577 number of employees in the year 2016.

3.4.1 Sample Size Determination

The sample size for CBO employee was calculated based on the formula from Kothari (2004)

$$n = \frac{NZ + (Se)^2 * (1-P)}{NSe + z^2 * P(1-P)}$$

Where: n = Sample size

N = Total Population = 2577

Z = Standard value (2.58)

P = Population proportion (0.5 preferred)

Se = Level of precision or acceptable sampling error (0.01)

According to the formula:

$$n = \frac{2577*2.58+(0.01)^2 *(1-0.5)}{2577*0.01+(2.58)^2*0.5(1-0.5)}$$

$$n = \frac{6648.6}{27.43} = 242$$

A sample of 242 employees was selected using the above formula from the total number of population size of 2577 employees.

3.4.2 Sampling Design /Technique

Stratified probabilistic Random sampling technique was used to select the respondents of questionnaires in the research because the Staffs in each department and branches of CBO are the population.

Table 2: Strata for sampling

Strata	Sample size
Departments (HR, Finance, Credit, IBD, Audit, IT, Facility, Marketing.....)	140
Branches (Finfine,Merkato,Oda,Seger,Kersa,Gerji,Mesalemia,Errer,Bombtera.....)	102
Total population	242

In addition, judgmental purposive sampling was used to select the respondents for the interview. Based on this sampling technique four interviews are selected from the human resource department. These respondents are believed to provide relevant information about the research topic as they have direct contact with all employees of the bank. The interview respondents are the human resource director, human resource manager, and two human resource experts.

3.5 Data Source and Types

Both primary and secondary data sources and types were used. Primary data was obtained through the self-administered structured survey questionnaire and semi-structured interview. Secondary data is collected from the bank and related studies. In addition, secondary data is collected from the annual reports, HR policy and procedure, books, journals, magazines, and bulletins of the bank to gather information about the company's past employee turnover trends.

3.6 Validity and Reliability

Reliability and validity are the most important factors for the quality of the study. Therefore, the collected data should be both valid and reliable. Sound measurement must meet the test of validity, reliability (Kothari, 2004).

Reliability is the consistency of results obtained in the research study. Reliability is associated with the accuracy and precision of the measurement procedure. The Cronbach's alpha test was done to check the reliability of the instrument after the pre-test. According to Zikmund, Babin, and Griffin (2010), scales with a coefficient alpha between 0.8 and 0.95 are considered to have very good quality, scales with a coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and a coefficient alpha between 0.6 and 0.7 indicates fair reliability.

The Cronbach's alpha result from the collected data in this study is .765, which is an acceptable level.

Validity is the extent to which a construct/instrument actually measures what it is supposed to measure. It refers to the issue of whether the data collected is a true picture of what is being studied or researched. Validity in research addresses issues; it assesses the

appropriateness of the research method, justifies the logic in the research question and explains the likely outcomes. To ensure validity in this research, research instrument was given to the research advisor and HR managers for comment and the questionnaire was also pretested and necessary correction was done based on the received comments.

3.7 Data Collection Procedure

First, the questionnaire was prepared to collect quantitative data pertaining to demographic, pay, promotion opportunity, and nature of work, supervision, promotion opportunity, job satisfaction and employees' turnover intention. Second, feedback was gathered from the advisor and experts before distributing the questionnaire. Then, the questionnaire was pretested

Finally, the final version of the data collection instrument (A five point Likert scale questionnaire ranging from strongly disagree, disagree, neither agree nor disagree, agree and strongly agree) was distributed to the samples selected using stratified random sampling by the researcher with the help of the department manager and branch manager and collected after 5 days. Consistency and completeness of the collected data was checked done before analysis.

3.8 Data Analysis Techniques

Both Descriptive statistics such as means, standard deviations, and correlation and inferential statistics such as multiple regressions, analysis of variance (ANOVA) were used to analyze the collected survey data. SPSS version 16.0 was also used.

The interview data was analyzed by interpreting the information provided by the informant and relating it to the main objectives of the study and in a way that relates to the finds.

This involves identifying patterns of associations between variables using own background knowledge, creativity and capacity to link particular pieces of information to more general concepts and relationships.

3.9 Ethical Consideration

The data collection from the employee was only be used for academic purpose to undertake this research; and was not provided to anybody that intended to use beyond this study and this was clearly communicated to respondents on the questionnaire and interviews. The researcher only involves in providing the questionnaire and collecting the data from the employees. The researcher only clarified the question when requested. Other than this the researcher did not influence the response of the employees.

CHAPTER FOUR

RESULTS AND FINDING DISCUSSION

The researcher tries to examine the effects of job satisfaction (satisfaction with pay, promotion opportunity, nature of work and supervision) on employees' turnover intention. To assess the relationship between job satisfaction and turnover intention, primary data was collected from the employees of the bank using questionnaire and interview. Secondary data was also collected through reviewing the bank's HR policy, procedure, annual reports, journals and company website.

Data was collected from 242 sample respondents of the bank from different departments and branches at 100% response rate. The collected data were described and analyzed using SPSS. In this chapter, the results of study are reported and discussed. It includes description of satisfaction level of employees of the bank with each factor, the overall reliability of the model, sample adequacy, the relationship between the independent and the dependent variable and the level of significance of their correlation.

4.1 Result of Reliability Analysis.

The overall Cronbach's alpha reliability result of this study is 0.765. According to Zikmund, Babin and Griffin (2010) scales with coefficient alpha between 0.8 and 0.95 are considered to have very good quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability. The Cronbach's alpha value of the study is within acceptable level ($0.8 > \alpha > 0.7$). Therefore, we can see that the overall consistency of questionnaire have good reliability.

Table 3: Overall reliability Statistics

Cronbach's Alpha	N of Items
.765	22

Source: Researcher's computation

Table 4: Summary of Measures (Reliability)

Variable	No. of Items in the Scale	Cronbach's Alpha Result (α)
Satisfaction with Pay	6	.809
Satisfaction with Promotional Opportunity	4	.713
Satisfaction with Nature of Work	3	.851
Satisfaction with Supervision	4	.870

Source: Researcher's computation

As we can see from the above table the Cronbach's alpha reliability result of each independent variable is within good /acceptable level ($0.8 > \alpha > 0.7$) and v.good ($\alpha > 0.8$).

Therefore, we can see that consistency of questionnaire is acceptable.

4.2 Result of sample adequacy Analysis.

Sample size adequacy (KMO) result of this study is 0.841. Sample size is adequate when $KMO > 0.5$ therefore, we can see that the sample size is adequate since it is nearest to 1.00.

Table 5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.841
Bartlett's Test of Sphericity	Approx. Chi-Square	918.957
	df	36
	Sig.	.000

Source: Researcher's computation

4.3 Summary of Respondents information

The first section of the questionnaire demanded personal information from respondents.

These questions include: gender, age, marital status, level of educational, work experience at current place and job category.

Table 6: Background and General Information of Respondents

No.	Item	Response	
		No.	%
1	Sex		
	a) Male	180	74.4
	b) Female	62	25.6
	Total	242	100.0%
2	Age		
	a) 21-30 years	149	61.6
	b) 31-40 years	77	31.8
	c) 41-50 years	8	3.3
	d) > 50 years	8	3.3
	Total	242	100.0%
3	Marital Status		
	a) Single	134	55.4
	b) Married	107	44.2
	c) Divorced	0	0
	d) Widowed	1	.4
	Total	242	100.0%
4	Educational level		
	a) Diploma	13	5.4
	b) Bachelor D	202	83.5
	c) Masters and above	27	11.2
	Total	242	100.0%
5	Work experience at current place		
	a) < 3 years	92	38
	b) 3-5 years	58	24
	c) >5 years	92	38
	Total	242	100.0%

No.	Item	Response	
		No.	%
6	Job category		
	a) Management	55	22.7
	b) Officer	169	69.8
	c) Clerk	18	7.4
	Total	242	100.0%

Source: Researcher's computation

As we can see from the above table, majority of respondents are male which is 180(74.4%) and the rest 62(25.6%) are female.

Majority of respondents numbering 149 (61.6%) are between the age of 21 and 30 the rest 77(31.8%) are between the age of 31 and 40, 8(3.3%) are between the age of 41 and 50, 8(3.3%) are over the age of 50.

Majority of respondents are single which is 134(55.4%) and the rest 107(44.2%) are married , 1(.4%) are widowed .

As indicated on the above table most of respondents are bachelor degree holder which is 202(83.5%) and the rest 27(11.2%) have masters degree and above ,13(5.4%) are diploma holder.

Majority of respondents have experience of below 3 year and above 5 year which is 92(38%) each and the rest 58(24%) have experience of 3 to 5 years.

Majority of respondents are officers which is 169(69.8%) and the rest 55(22.7%) are management, 18(7.4%) are clerks.

ANOVA was applied to test whether there is a difference in Turnover intention based on difference in the Gender of respondents, Age of respondents, marital status, Job category, and Work experience at CBO and Educational level.

Table 7: Analysis of variance (one way Anova)

ANOVA Table

Demographic variable			Sum of Squares	df	Mean Square	F	Sig.
Gender of respondents	Intention to leave shortly *	Between Groups (Combined)	10.284	1	10.284	8.217	.005
		Within Groups	300.361	240	1.252		
		Total	310.645	241			
Age of respondents	Intention to leave shortly *	Between Groups (Combined)	1.583	3	.528	.406	.749
		Within Groups	309.061	238	1.299		
		Total	310.645	241			
Marital status	Intention to leave shortly *	Between Groups (Combined)	2.865	2	1.433	1.113	.330
		Within Groups	307.779	239	1.288		
		Total	310.645	241			
Educational level	Intention to leave shortly *	Between Groups (Combined)	.769	2	.385	.297	.744
		Within Groups	309.875	239	1.297		
		Total	310.645	241			
Work experience at CBO	Intention to leave shortly *	Between Groups (Combined)	.043	2	.021	.016	.984
		Within Groups	310.602	239	1.300		
		Total	310.645	241			
Job category	Intention to leave shortly *	Between Groups (Combined)	5.705	2	2.852	2.235	.109
		Within Groups	304.940	239	1.276		
		Total	310.645	241			

Source: Researcher's computation

The above table shows that the mean difference in Gender of respondents (F=8.217 , P=.005) , Age of respondents (F=.406 , P= .749) , Marital status of respondents (F=1.113 ,

P=.330), Job category (F=2.235 , P=.109), work experience (F=.016 , P=.984) and Level of education (F=.297 , P=.744) .

The significance level of Gender of respondents (p=.005) indicates that the variation in intention to leave is significantly associated with the difference on gender of respondents. Conversely, The significance level of Age of respondents(p=.749) , marital status(p=.330), Job category(p=.109), Work experience at CBO(p=.984) and Educational level(p=.744) shows that the difference on this demographic variables do not have significant association on The variation in intention to leave.

4.4 Result of Descriptive Analysis on the Factors

In this section, the mean and standard deviation of each satisfaction factor and intention to leave is analyzed and presented.

Table 8: Mean value of the factors

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Pay satisfaction	242	2	5	4.06	.661
Satisfaction with Nature of work	242	2	5	3.86	.745
Satisfaction with promotion opportunity	242	1	5	3.55	.980
Satisfaction with supervisory level	242	1	5	3.91	.846
Intention to leave due to low pay	242	1	5	2.10	1.069
Intention to leave due to nature of work	242	1	5	2.32	1.189
Intention to leave due to unfair promotion opportunity	242	1	5	2.40	1.219
Intention to leave due to unfavorable supervisory support	242	1	5	2.30	1.147
Valid N (listwise)	242				

Source: Researcher's computation

The means and standard deviations among the variables of the study are shown in the above descriptive statistics Table. Descriptively, the mean or the average response of the respondents about the degree of satisfaction with their level of their pay was 4.06 (SD=.661) on a 5-point scale. This indicates that the majority of the respondents were satisfied with the pay the organization gives them. The result of interviews also confirmed that the existing payment and benefit is attractive as compared to other banks in the industry due to the current pay and benefit adjustment. This has created satisfaction for all of the respondents on their job and they do not have intention to leave the company.

The mean or the average response of the respondents about the degree of satisfaction with the level of their nature of work was 3.86 (SD=.745) on a 5-point scale. This indicates that the majority of the respondents were satisfied with their nature of work in the organization. The result of interviews also indicated that the company adopted a continuous training and development program to improve the nature of their work. This has created satisfaction for the majority of respondents on their job and they do not have intention to leave the company.

The mean or the average response of the respondents about the degree of satisfaction with their promotion opportunity was 3.55 (SD=.980) on a 5-point scale. This indicates that the majority of the respondents were satisfied with the promotion opportunity the organization gives them. All Interview respondents also believed that employees are equally treated for promotion and transfer. The fair promotion practice adopted by the company has provided satisfaction and employees do not have intention to leave the company.

The mean or the average response of the respondents about the degree of satisfaction with supervision was 3.91 (SD=.846) on a 5-point scale. This indicates that the majority of the respondents were satisfied with the supervision in the organization. All respondent of interview

believe that the existing practice encourage brotherhood, friendly relationship between managers and employees. The communication between them is formal and open for feedback to make the communication good. This has created satisfaction on their job and they do not have intention to leave the company.

In addition, the mean or the average response of the respondents about their intention to leave due to low pay was 2.10 (SD=1.069), unfavorable nature of work was 2.32 (SD=1.189), unfair promotion opportunity was 2.40 (SD=1.219) and unfavorable supervision was 2.30 (SD=1.147). This indicates that most of respondents do not have intention to leave the bank.

According to Misener et al., (1996) Job satisfaction is one of the factors that contribute to people’s intention to quit their jobs. A job that entails high pay, greater promotional opportunities, interesting work nature, high security and fair supervision is assumed to create positive feelings of well-being about their job. Job satisfaction encompasses specific aspects of satisfaction related to pay, benefits, promotion, working conditions, supervision, organizational practices and relationships with co-workers.

Table 9: Mean value of the factors against Job category

Job category	Pay satisfaction		Satisfaction with Nature of work		Satisfaction with promotion opportunity		Satisfaction with supervision		Intention to leave shortly	
	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N
Management team	4.25	55	3.99	55	3.82	55	4.02	55	1.87	55
Officer	4.01	169	3.85	169	3.48	169	3.89	169	2.24	169
Clerk	3.86	18	3.61	18	3.31	18	3.74	18	2.11	18

Source: Researcher’s computation

As indicated on the above table mean of pay satisfaction, Satisfaction with Nature of work, Satisfaction with promotion opportunity and Satisfaction with supervisory level of management team is 4.25, 3.99, 3.82 and 4.02 respectively. This shows that management teams are more satisfied with their payment, Nature of work, promotion opportunity and supervisory level as compared to the other job categories.

In addition, as indicated on the above table mean of intention to leave shortly of officers is 2.24 and from this we can understand that officers comparatively have more intention to leave shortly than other job categories.

4.5 Result of Correlation matrix

Correlation analysis was applied and the Pearson correlation coefficient was computed to test the relationship/ interdependency of the variables. This Analysis can be used to examine the correlation among all dimensions of independent variable (Job satisfaction) with dependent variable(intention to leave).

Table 10: Correlation matrix of factors

		Correlations				
		Intention to leave shortly	Pay satisfaction	Satisfaction with Nature of work	Satisfaction with promotion opportunity	Satisfaction with supervision
Intention to leave shortly	Pearson Correlation	1	-.324**	-.260**	-.305**	-.181**
	Sig. (2-tailed)		.000	.000	.000	.005
	N	242	242	242	242	242
Pay satisfaction	Pearson Correlation	-.324**	1	.456**	.548**	.287**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	242	242	242	242	242
Satisfaction with Nature of work	Pearson Correlation	-.260**	.456**	1	.596**	.545**
	Sig. (2-tailed)	.000	.000		.000	.000

	N	242	242	242	242	242
Satisfaction with promotion opportunity	Pearson Correlation	-.305**	.548**	.596**	1	.486**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	242	242	242	242	242
Satisfaction with supervision	Pearson Correlation	-.181**	.287**	.545**	.486**	1
	Sig. (2-tailed)	.005	.000	.000	.000	
	N	242	242	242	242	242

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

Source: Researcher's computation

From the above correlation matrix we can see that all of the relationships among variables were found to be in the hypothesized direction.

- Pay satisfaction and Intention to leave are negatively correlated and have moderate and significant relationships with each other ($r = -.324^{**}$, $p < 0.001$). Therefore, Alternative hypothesis (H1) is accepted.

The result of interviews also confirmed that the existing payment and benefit is attractive as compared to other banks in the industry due to the current pay and benefit adjustment. Therefore, all of the respondents are satisfied with their job and do not have intention to leave the company.

- Satisfaction with Nature of work and Intention to leave are negatively correlated and have weak and significant relationships with each other ($r = -.260^{**}$, $p < 0.001$). Therefore, Alternative hypothesis (H2) is accepted.

The result of interviews also indicated that the company adopted a continuous training and development program to improve the nature of their work. This has created satisfaction for the majority of respondents on their job and they do not have intention to leave the company.

- Satisfaction with promotion opportunity and Intention to leave are negatively correlated and have moderate and significant relationships with each other ($r = -.305^{**}$, $p < 0.001$).

Therefore, Alternative hypothesis (H3) is accepted.

All Interview respondents also believed that employees are equally treated for promotion and transfer. The fair promotion practice adopted by the company has provided satisfaction and employees do not have intention to leave the company.

The findings of other researchers such as Shokal and Sinha (2013), Ali (2008) and Mahmud & Idrish (2011) also supports Satisfaction with promotion opportunity has inverse impact on employees' turnover intention.

- Satisfaction with supervision and Intention to leave are negatively correlated and have weak and significant relationships with each other ($r = -.181^{**}$, $p < 0.01$). Therefore, Alternative hypothesis (H4) is accepted.

All respondent of interview believe that the existing practice encourage brotherhood, friendly relationship between managers and employees. The communication between them is formal and open for feedback to make the communication good. This has created satisfaction on their job and they do not have intention to leave the company.

Other previous Studies also supported the above findings, Mbah, and Ikemefuna. (2012) studied on job satisfaction and employees' turnover intentions in total Nigeria Plc. in Lagos state. The researchers considered satisfaction with pay, nature of work and supervision as the three facets of job satisfaction that affect employee turnover intention and Their conclusion was job satisfaction reduces employees' turnover intention and that Total Nigeria Plc, adopts standard pay structure, suitable nature of work and efficient

supervision not only as strategies to reduce employees' turnover but also as the company retention strategy.

Mahmud and Idrish (2011) conducted research on impact of HRM practices on turnover of bank employees in Bangladesh. They evaluated six Human Resource (HR) practices such as career development, compensation (payment), supervisor support, realistic job information, job analysis and work family balance, and their likely impact on the employee intention to leave. The researchers' result indicated that supervisor support, career development, compensation (payment) were negatively and significantly correlated with employee intention to leave.

The result of the above table also shows that there is a positive correlation and significant relationships between Pay satisfaction and Satisfaction with Nature of work, Satisfaction with promotion opportunity, Satisfaction with supervision ($r = .456^{**}$, $p < 0.001$) ($r = .548^{**}$, $p < 0.001$) ($r = .287^{**}$, $p < 0.001$) respectively.

There is also a positive correlation and strong and significant relationships between Satisfaction with Nature of work and Satisfaction with promotion opportunity and Satisfaction with supervision ($r = .596^{**}$, $p < 0.001$) ($r = .545^{**}$, $p < 0.001$) respectively. Positive correlation and moderate and significant relationships exist between Satisfaction with promotion opportunity and Satisfaction with supervision at 1% significance level ($r = .486^{**}$, $p < 0.001$).

4.6 Result of Regression Analysis

Regression analysis helps to measure the relative strength/effect of independent variable on dependent variable. Multiple regressions was applied to test the relative strength/effect of Job satisfaction(Pay satisfaction, Satisfaction with Nature of work, Satisfaction with promotion opportunity and Satisfaction with supervision) on employee turnover intention. All dimensions were examined using multiple regression analysis to ascertain the extent to which they explain that the variance in turnover intention in CBO.

Table 11: Model Summary^b

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	.364 ^a	.132	.117	1.067	.132	9.021	4	237	.000

a. Predictors: (Constant), Satisfaction with supervisory level, Pay satisfaction, Satisfaction with Nature of work, Satisfaction with promotion opportunity

b. Dependent Variable: Intention to leave shortly

Source: Researcher's computation

According to the above model summary, it is evidenced that the coefficient of multiple correlation R which is the degree of association between job satisfaction factors and turnover intention is 0.364. There is also R square value of 0.132 and adjusted R square of 0.117. The model summary reveals that the proportion of the variation in turnover intention is explained by the four job satisfaction factors is 11.7 % and the remaining 88.3% of the variance is explained by other factors.

Table 12: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.049	4	10.262	9.021	.000 ^a
	Residual	269.596	237	1.138		
	Total	310.645	241			

a. Predictors: (Constant), Satisfaction with supervisory level, Pay satisfaction, Satisfaction with Nature of work, Satisfaction with promotion opportunity

b. Dependent Variable: Intention to leave shortly

Source: Researcher's computation

On the above table the F-statistic of 9.021 at 4 and 237 degree of freedom further shows that the explanatory variables considered in this study (job satisfaction) can moderately explain turnover intention at 0.000 (99%) confidence levels.

Table 13: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.689	.495		9.470	.000	3.714	5.665
	Pay satisfaction	-.361	.127	-.210	-2.850	.005	-.611	-.112
	Satisfaction with Nature of work	-.115	.126	-.075	-.914	.362	-.363	.133
	Satisfaction with promotion opportunity	-.160	.098	-.138	-1.643	.102	-.352	.032
	Satisfaction with supervisory level	-.016	.100	-.012	-.164	.870	-.213	.180

a. Dependent Variable: Intention to leave shortly

Source: Researcher's computation

The above table also indicates that, the beta value of Pay satisfaction (beta=-.210, p=.005), Satisfaction with Nature of work (beta=-.075, p=.362), Satisfaction with promotion opportunity

(beta=-.138,p=.102) and Satisfaction with supervision (beta=-.012,p=.870). From this we can understand that the four of the explanatory variables of job satisfaction are negatively related to turnover intention.

Among the four of the explanatory variables of job satisfaction, pay satisfaction have strong negative association and are statistically significant at 99% confidence level ($p < 0.01$). Therefore pay satisfaction was found to be significant predictor of job satisfaction in CBO with standardized Beta value of -.210. Keeping all other variables constant, a unit change in pay satisfaction would result in a .210 unit reduction in turnover intention.

Satisfaction with pay was one of the three factors which were found to have a strong negative relationship with employee's turnover intention in the study conducted by Ali (2008) to investigate ten factors of satisfaction (pay, security, nature of work, working condition, colleagues (integration), supervision, communication, reward, promotion and social status). These factors were considered to have an important bearing on the turnover intention of teachers in private school.

Gedefaw (2012) on his research claimed that, salary and benefit were one of the major reasons for secondary school teachers' dissatisfaction in Ethiopia. Low level pay has made a significant impact on teacher's classroom performance and on the quality of education. Therefore, we can understand that pay satisfaction is important issue to employees' turnover intention.

Organizations should critically be aware of that low wage rate will result into high employee turnover intention and separation. According to Lockhead and Stephens (2004),

companies in highly competitive local labor markets are expected to pay highly competitive rates against their competitors in each of their job classification.

CHAPTER FIVE

Summary, Conclusions & Recommendations

Based on the analysis and interpretation done in the previous chapter and interviews conducted during the study, the following summary, conclusions and recommendations are presented.

5.1 Summary

Summary of the analysis and findings are as follows.

- Most of respondents are satisfied with the payment they receive, with the promotion opportunity they get, by the nature of their work and with the supervision and do not have intention to leave the bank.
- Management teams are more satisfied with their payment, nature of work, promotion opportunity and supervisory level as compared to the other job categories and officers comparatively have more intention to leave shortly than other job categories.
- Pay satisfaction and Intention to leave are negatively correlated and have moderate and significant relationships with each other.
- Satisfaction with Nature of work and Intention to leave are negatively correlated and have weak and significant relationships with each other
- Satisfaction with promotion opportunity and Intention to leave are negatively correlated and has moderate and significant relationships with each other.

- Satisfaction with supervision and Intention to leave are negatively correlated and has weak and significant relationships with each other.
- The proportion of the variation in turnover intention is explained by the four job satisfaction factors is 11.7 % and the remaining 88.3% of the variance is explained by other factors.
- Pay satisfaction was found to be significant predictor of job satisfaction in CBO

5.2 Conclusion

The objective of this study was to examine the relationship between job satisfaction and employees turnover intention in CBO. Job satisfaction was examined in this study by including: Pay satisfaction, Satisfaction with nature of work, Satisfaction with promotion opportunity and Satisfaction with supervision. Majority of staffs are satisfied with their job and do not have intention to leave.

There is a significant and an inverse relationship between job satisfaction with pay and turnover intention.

There is a significant and an inverse relationship between job satisfaction with nature of work and turnover intention.

There is a significant and an inverse relationship between job satisfaction with promotion opportunity and turnover intention.

There is a significant and an inverse relationship between job satisfaction with supervision and turnover intention.

Regressing job satisfaction factors against turnover intention (dependent variable) only pay satisfaction significantly explains the variance in turnover intention. Pay satisfaction is the most influential factor of turnover intention in CBO.

5.3 Recommendations

Based on the above conclusion, the researcher recommends the following: The new structural change and payment adjustment by the new CEO is contributing greatly to employees' satisfaction. Therefore, the management of CBO should sustain employee's satisfaction by continuously examining the pay and benefit structure of the overall banking sector in Ethiopia and improving the bank's HR policy and procedure.

The management of CBO should also examine and improve the existing HR policy and procedure on Fair promotion practice, favorable nature of work and supervision to increase employees' satisfaction and minimize turnover intention.

Finally, as per the result of the regression analysis indication other job satisfaction factors other than Pay satisfaction, Satisfaction with nature of work, Satisfaction with promotion opportunity and Satisfaction with supervision need to be considered in the future and further study by the banks HR experts.

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ANNEX 1 - Questionnaire

Addis Ababa University
School of Commerce
Master’s of Arts in Human Resource Management

This questionnaire is designed to collect data on the impacts of job satisfaction on employees’ turnover intention for the thesis in partial fulfillment of master’s degree in the field of human resource management. Your personal information will be kept strictly confidential. Your participation in the study is voluntary and the researcher would like to thank you in advance for your cooperation.

Part I: Personal Information

- 1. Gender** Male Female
- 2. Age** 21-30 years 31-40 years 41-50 years > 51 years
- 3. Marital Status** Married Single Divorced Widowed
- 4. Educational level** Diploma/level Bachelor Masters and above
- 5. Work Experience** < 3 years 3 to 5 years >5 years
At current place
- 6. Job Category** Management team Officer Clerk

Part II: Job Satisfaction & Turnover Intention related issues

Please put (√) in the place where the choice is appropriate for you.

No.	Items	Strongly Agree (5)	Agree (4)	Neither Agree nor Disagree (3)	Disagree (2)	Strongly Disagree (1)
7	I am satisfied with the payment I receive from my organization.					
8	I am satisfied with my pay rate					
9	The period between pay rises is reasonable.					

10	All necessary fringe benefits are provided in my organization (e.g. health insurance, transport allowance, provident fund/pension, and different types of loans).					
11	Regarding salary, I feel that I am treated fairly compared to colleagues in my organization who have similar qualifications and who have served similar service years.					
12	Regarding fringe benefits, I feel that I am treated fairly compared to colleagues in my organization who have similar qualifications and who have served similar service year..					
13	I am able to tolerate the pressure of my work/ nature of work.					
14	My work is varied and is not routine.					
15	I am satisfied with the opportunity to use my abilities					
16	My job gives me the opportunity to work independently					
17	My job gives me the opportunity for promotion/ advancement.					
18	I am satisfied with the chance of promotion related to my job					
19	Regarding promotion, I feel that I am treated fairly compared with colleagues in my organization who have similar qualifications and who have served a similar number of years					
20	My supervisor always consults co-workers when deciding decision which may affect works					
21	My supervisor shows consideration for subordinates' feelings					
22	Communication between me and my immediate supervisor is good					
23	I am satisfied with my immediate supervisor's supervision support					
24	I intend to leave this company because of low pay					
25	I intend to leave this company because of unattractive nature of work					
26	I intend to leave this company					

	because of lack fair promotion opportunity					
27	I intend to leave this company because of unfavorable supervisory support					
28	I intend to leave this company within a short period of time					

ANNEX 2 - Interview

**Addis Ababa University
School of Commerce
Department of HRM**

This Interview guide questions for CBO administration and department heads is designed to collect data on the impacts of job satisfaction on employees' turnover intention for the thesis in partial fulfillment of master's degree in the field of human resource management. Your personal information will be kept strictly confidential. Your participation in the study is voluntary and the researcher would like to thank you in advance for your cooperation.

1. Do you feel that employee turnover from the organization is a serious problem?
2. What do you think are the main reasons of employee turnover in this organization?
3. Are employees equally treated for any promotion or transfer?
4. Do you have training and development program/plan to improve nature of the work?
How does the company do it? Do employees have complaints about the fairness of the practice?
5. Do employees participate in organization decision making process with their supervisor?
On which issues?
6. What kind of relationship between management and employees is there?
7. How do you describe communication system between management and employees?
8. Do you agree that employees are paid well for the service they render? Please explain.
9. What major costs does the organization incur while recruiting new employee?
10. How long does it take to replace or assign new employee for the vacated post or job?
11. Do you measure cost of turnover and discuss what effect does it make on the performance of the organization?

Thank you very much for your response.