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EMPLOYEE TURNOVER IMPACT ON THE PROFITABILITY OF THE BANKS- THE CASE OF THE ALBANIAN BANKING SYSTEM

Abstract:

This research study has been focused on the impact the employee turnover can have for the banks in Albania. High rates of the voluntary turnover among the banking employees can affect the business results. The negative impact might be higher when the turnover has been among the highly professional employees covering key areas of expertise. The research methodology used has been the case study. The data have been collected from statistical documents and archives and 75 % of the banks operating in the market have been included in the study. The study found an increasing trend in the employee turnover over the last three years for most of the banks, however when it comes to the profitability it has not been evidenced a clear trend for the banks, there is a lot of fluctuations on their net profit. Somehow due to this fluctuation the regression model built to test the connection among the turnover and banks profitability come out to have no statistical importance.

Keywords:

Employee's turnover, Banking, Profitability, Albanian Banking System

JEL Classification: J63, J24, J30