

ST MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES MBA PROGRAM

THE ASSESSMENT OF EMPLOYEES TURNOVER INTENTION AT

AYKA ADDIS TEXTILE AND INVESTMENT GROUP

BY
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JUN, 2017 ADDIS ABABA, ETHIOPIA

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A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATED STUDIES IN PARTIAL FULL FILAMENT OF THE REQUIREMENTFOR THE DEGREE OFMASTERS OF BUSINESS ADMINISTRATION. (GENERAL MBA)

MAY, 2017 ADDIS ABEBA, ETHIOPIA

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Statement of Declaration

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Assistant, Professor Shoa Jemal. All source of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

Belay Deres Kitila

Signature

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Acknowledgements

My most truthful and genuine thanks go to my advisor Shoa Jemal (Assistant Professor) for his un reversed and timely support in checking, commenting and giving constructive and effective advice in all along my research activities.

I would like to thank Ayka Addis Textile Factory owner Mr. Yusuf Aydeniz and Mr. Tanju Kavlakli for their support by covering half cost and Mr. Yusuf allow me to finalize my study at working time, and who are, Ato Mitiku Birhanu, Ato Aboma Mulu, Ato Daniel Tefera and Ato Shimels Taye and special thanks go to w/ro Elsa Adera and TigistAlemu (secretaries), Ato Haile Kabo, Afework worku and Dereje Kokebu for their special contribution and also to other department employees as respondent special contribution and also to other department employees as respondent Ato Gudissa Legesse and Ato Bekalu Tilahun for their decision given to learn my post Graduate study.

My genuine thanks also go to Ato Mintesinot Desalegn, Ato Tesfaye Demisse, Ato Miskir Getanew and my mother Eshete gebrehana for their material and moral support to finalize my research.

Most deeply and with honestly love, I would like to express my deepest thank to my beloved wife W/ro Mieraf Getanew who played significant role during my study. I also wont to say thank my baby Alador Belay for his understanding and giving me time to finalize my research. Many blessing to all whose names are not mentioned, but who assisted me during my study. Almighty GOD you are my strength and the source of my success. May your name be exalted and glorified.

Acronyms/Abbreviation

HRD: Human Resource Department

AAT: Ayka Addis Textile

SPSS Statically Package of Social Science

CEO: Chief Executive Officer

DCEO: Deputy Chief Executive Officer

HRP: Human Resource Professionals

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Abstract

The purpose of this study is to assess employee turnover intention at Ayka Addis Textile and Investment Group. In this research descriptive method has been employed. Accordingly, the study follows quantitative and qualitative research design methods. It's Descriptive Random and purposive sampling techniques were used to select respondents from the population. Questionnaire was distributed and 95% of the respondents have returned the papers. An open-ended interview was conducted so as to collect the data from managers and human resource experts. The finding indicated that employees seem to be dissatisfied with monitory rewards, promotional opportunity, working environment and training opportunity. The consequence of these intentions has been perceived to result employee turnover. From the five open ended questions distributed to the Managers and Human Resource Professionals, partiality with monetary rewards, lack of motivation, such as financial and none financial, poor conducive working environment are among the key findings in the assessment of employee turnover intention. The company is, thus, expected revise the policy of employees benefit package so as to retain experienced and skilled employees.

Key words: Turnover, Monitory rewards, Promotion, Training, Human resource experts. Intention

CHAPTER ONE

INTRODUCTION

This introductory chapter is prepared to provide information concerning an over view of the research of study. It includes background of the study, Statement of the problem, Objectives, scope, limitation and definition of the key terms and organization of thesis.

1.1 Back ground of the study

In the broadest sense, Human Resource is understood as the people an organization employs to carry out various jobs, tasks, and functions in exchange for wages, salaries, and other rewards. Explicitly speaking, scholars regard human resource as the total knowledge, skills, creative abilities, talents, and aptitudes of an organization's workforce as well as the values, attitudes, and beliefs of the individuals involved (Huselid 1995).

Being the most important asset of the organization, the human work force determines the success and failure of the organization. In these regard, human resource is to be seen in line with the concept of human capital. The human capital of an organization consists of the people who work there and on whom the success of the business depends. Accordingly, Bontis et al (1999) define human capital as follows:

Human capital represents the human factor in the organization; the combined intelligence, skills and expertise that give the organization its distinctive character. The human elements of the organization are those that are capable of learning, changing, innovating and providing the creative thrust which if properly motivated can ensure the long-term survival of the organization.

The concept of human capital is, therefore, concerned with the added value that people provide for the company and the actual basis for competitive advantage as well as an important element of intangible asset of the company (Armstrong 2006;30). As a result, effective human resource management is very important to retain and utilize employees who are well trained and well experienced for company goal attainment is success in all dimensions

In this regard, HRM aims to ensure that the organization obtains and retains the skilled, committed and well-motivated workforce it needs (*ibid*).

While strengthening the above concept, Becker et al, (1997) have identified the all-inclusive definition of HRM as follows:

In broad-spectrum, HRM means taking steps to assess and satisfy future people needs and to enhance and develop the inherent capacities of people – their contributions, potential and employability – by providing learning and continuous development opportunities. It involves the operation of rigorous recruitment and selection procedures, performance-contingent incentive compensation systems, and management development and training activities linked to the needs of the business.

Michael Armstrong describes HRM as 'engaging in talent management' (2007; 30). According to him, HRM is the process of acquiring and nurturing talent, wherever it is and wherever it is needed, by using a number of inter- dependent HRM policies and practices in the fields of resourcing, learning and development, performance management and succession planning (*ibid*).

Over times, scholars have identified various challenges of HRM. Employees' turnover, being one of the foremost challenges, has been studied by various scholars. Equally significant, staff retention and timely assessment of employees' turnover intentions are among the key factors that determine the efficiency of the human resource management of the given company. In line with this, John (Stredwick 2005, p.191) argues as:

Employee retention becomes an important item on the HRM agenda when organisations are faced with skills shortages. When labour is in reasonably good supply leavers can easily be replaced by new starters. It is estimated that the costs associated with recruiting and training a new employee average between half and one and a half times the annual salary for the post in question, depending on the approaches used (Branham 2005, p. 3). More specifically, in human resources context employee turnover is the rate at which an employer retain or losses its employees.

If an employer is said to have a high turnover relative to its competitors, it means that employees of that company have a shorter average occupancy than other companies in the same industry. High turnover is harmful to a company's performance or productivity since skilled workers are leaving and the workers population contains a high percentage of leaner workers in that company.

Broadly speaking, employee turnover emanates from multifaceted causes. Hissan (2009), for example, identifies factors related to wages, company benefits, employee attendance and job performance as the major causes. If it is not managed properly, employee turnover can harm the overall productivity of an organization and eventually paves way to some major problems.

Employee turnover is one of the most critical factors that call for undivided attention of the human resource team in specific and the company management in general. In line with this, Robert S. Hackman remarks that employee turnover to be one of the very difficult manners that requires deep understanding of its causes (2008, 121). Similarly, many other writers have identified the major factors that contribute to the employee turnover. The causes range from economic to political; as well as social to financial matters in the broadest sense. However, there is considerable evidence that money is not the only cause of the turnover, even when it is a cause in an employee's decision to quit.

Regardless of the causes, levels and types, different organizations have different methods of managing and controlling employee turnover intention in their organizations.

Organizations need to focus on how to sustain organization commitment to enhance job satisfaction, reduce job stress and provide support facilitate employee. Hence, assessment of employees' turnover intentions becomes one of the most prominent tasks in the organization.

This study is conducted to assess employee turnover intention at Ayka Addis Textile and Investment Group. No research has been conducted in the company to assess the turnover intention before. Thus, this research will be the first of its type in the company.

Researches show that employees' turnover has proved to be a challenge for the profit of an organization and one of the prominent causes of bankruptcy (Clayton 2006 and Hopes and Macklin 2012). Obviously firms lose their main productive resource where there is labor turnover. The cost of recruitment and training is long term investment and employees recruited and trained to day cannot be productive, the learning curve can be longer or shorter depending on the individual workers. In other words, hiring and training of new employees is more expensive than retaining skilled and experienced employees (Clayton 2006)

Ayka Addis, being vast investment firm, has large staffs and is, therefore, vulnerable to the same challenge. This research is therefore intended conduct an assessment of employees' turnover intentions, thereby providing recommendations.

1.2. Definition of Key Terms

Below are listed some of the key terms used in the research. The simple definitions given are intended to serve as a minor introduction to the literature review.

1.2.1. Employee Turnover

Employee turnover refers to the voluntary and involuntary permanent withdrawal of workers from an organization (Parker and Skit more 2003).

1.2.2. Job Satisfaction

Job satisfaction is a set of favorable and unfavorable attitudes with which employees view their work (Ronia and Chaisawat 2009).

1.2.3. Monetary Rewards

Monetary reward is viewed as part of the Compensation system used in the organization to motivate agreements with its rules and regulations (Ongori 2007).

1.2.4. Promotion

It the movement of a person to higher level position in the organization. It is also defined as the assignment of an employee to a higher level job within an organization (Iles 2000).

1.2.5. Working Environment

It entails that all activities that take place in organizational working area and if not managed properly they may lead to employee turnover (Abdali, 2011:18).

1.2.6. Supervision

Supervision is the process of planning, directing, controlling and organizing the work of others through face to face contact with subordinates (Hammerberg 2002).

1.2.7. Job scope

Job scope can be defined as the density and challenges of the job contents (Abdali, 2011).

1.2.8. Intention:

It refers to deliberate consciousness of workers to leave their current organization Intention to quit the individuals own estimated subjective that they are permanently leaving their organization. (Danish and Munir 2011)

1.3 Statement of the Problem

Employee turnover has become a serious problem in all organizations because it brings financial impact on the organization in one or another way. In analyses of turnover costs, Schultz (1961) concludes that employee turnover is a cost for organizations. Every time an employee quits, replacement must be recruited, selected, trained on the job to get experience.

Turnover costs included recruiting costs, selection and or employment costs, orientation costs, training costs, lost wages or salaries, administrative costs, loss of human capital and customer satisfaction issues.

Ayka Addis Textile and Investment Group is a private limited company established nine years ago. It is currently playing the most remarkable role in Ethiopia's textile industry. Despite its huge export potential and current records, the company is profoundly vulnerable to the challenges of employee turnover. The company's reward and benefit packaging system; promotional opportunity; working environment; supervision and other human resource related factors need a careful study. This makes an assessment of employee turnover intentions one of the primary focuses.

The next table shows that Total Turnover for the post five years 61.2 % terminated with different reason

Table 1.1. Employee Turnover Summary for five years

	in number	Percentage
Voluntary	5756	32%
Turnover		
Involuntary	12214	68%
turnover		
Total	17979	100%
Employees turnover for the past five years 2011-2015		

Source: Human Resource Department AAT, July 2015

The above table indicates that the magnitude of employees' turnover in the company has been increasing. This problem seems significant and worth studying so as to assess the reason of employees turnover intention. Therefore, this study tries to assess the major employee's turnover intention in the company.

1.4. Basic Research Questions

Among others, the research strives to answer the following prominent questions:

- What is the employees' intention towards leaving the company?
- What are the leading employee turnovers intentions in the company?
- Which category of employees leaves the company?
- How does the company react to about employees' turnover?
- What are the strategies to retain employee?

1.5 Objectives of the study

1.5.1 General Objectives

The main objective of the research is to asses employees' turnover intentions thereby identifying the potential causes of turnover to the level by which is possible to identify the problems and render possible recommendations.

1.5.2 Specific Objectives

- To identify the main factors behind employees' turnover intention.
- To detect the category of employees leaving the company.
- To assess the employees intention to leaving the company.
- To evaluate how the employees of the company reacts about employee's turnover.
- To identify the mechanism used by the company to reduces turnover rate.

1.6 Significance of the Study

This study is primarily intended to show factors related to employees' turnover intentions. In doing so, it helps human resource managers understand the level of labor turnover and the true picture of employees' intention to leave a given company thereby alarming companies to correct their employee handling culture in order that they will save themselves from the potential lose and forthcoming bankruptcy.

Particularly for AYKA ADDIS, the study helps to identify human resource challenges by assessing the employees' intention regarding turnover. In addition, the study serves as a base line for individual researchers who may wish to undertake similar study in the future.

1.7 Scope of the Study

Employees' turnover intention is the basic research area that calls that attention of labor-intensive industry in general and the textile manufacturing sector in particular. Undertaking a nation-wide research is very important. However, the task requires a huge amount of resource and dedication.

This study focuses only on one of the prominent issues in human resource management- employee's turnover intention, more specifically, voluntary employee turnover intention.

Using AYKA ADDIS as a focal point, the scope of the study is limited to showing the reality of the company employees in the area of Sebesta town.

1.8 Limitation of the Study

Conducting a full-fledged research on assessment of employees' turnover intentions is a massive undertaking. Above all, the task demands sufficient time, finance and the availability of raw data. Covering a large research area and collecting data from diverse sources is also a challenge.

Given the financial constraints; shortage of time as well as limited primary and secondary sources of data, the research is limited to identifying employees' turnover intentions at Ayka Addis, located in Oromia Regional State, near the town of Sebbeta. The conclusion made is therefore based on the limited data gathered and the desktop researches conducted.

1.9 Organization of the Paper

This study consists five chapters. Chapter one is an introduction part which includes background of the study, statement of the problem, general objective and specific objective, scope, significance, definition of key terms and limitation of the study. Chapter two covers the literature review. Chapter three details the research design and methodologies, which involve research design, population and sampling technique, source of data, instrument of data collection, procedure of data collection, pilot testing and reliability, methods of data analysis and ethical consideration. Chapter four is dedicated to data analysis and interpretation, and final chapter contains, major findings, conclusions, and recommendations.

CHAPTER TWO

REVIEW RELATED TO LITERATURE

In this chapter, review of related literature on employee's turnover intention was discussed.

The chapter has three main parts. The first, part is theoretical literature, Identifies, theories and conceptual definitions which were given by different scholars over times. The second chapter being an Empirical review details journals and research's conducted on the topic so as to show the research gap.

2. 1. Theoretical Literature

2.1.1. Definition of Employee Turnover

Employee turnover has been one of the most critical subjects in organizational behavior literature. To understand the impact of employee turnover intention, it will be wise to define turnover first.

Employee turnover refers to people coming in the compound and people moving from the compound because of deferent reason. The term refers to what is sometimes called voluntary employee turnover which is normal turnover as opposed to people being fired in unusual situations (Becker et al 1997).

Hammerberg (2002) defines turn over as the degree of individual movant across the membership boundary of asocial system. This definition includes the attainment and the hiring of new employees to the organizational work performance. Deepa and Stella (2012), briefly states that turnover as any departure beyond organizational boundaries.

This indicates that the separation of employee from the employer with different reason or by any means.

Khatri (1976, 80) has defined employee turnover as "the period of deteriorate to move from a job in one place to same other job in some other place" this indicates

that the movements of employees from one organization to the other organization derived by the internal destines of individual employee.

Some scholars regard turnover as part of normal business activity. For example, the view held by Hope and Macklin (2007) implies that employees join the organization and separate from the organization as their life situation change. Deepa and Stella (2012) define employee turnover as "Employee turnover a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees" (2012, 8). According to this definition employee turnover means that the assessment of the number of workers in an organization should substitute during a given time period to the existing number of workers in an organization.

In his study, Lensa (2007) defines employee turnover as the entry and exit of individual in to and out of the work force of an organization over the specific period of time. He states that exit from an organization can take place in the form of resigning, retirement, death, disciplinary measurement. For this reason employee turnover can be defined as the entrance of new employees to the organization working environment and the departure of employees from the organization

In line with this, Clayton (2006) states that employee turnover as a gradual process. This indicates that an employee starts by an assessment of the on hand job and the atmosphere in the work is being performed. It is believed that working atmosphere plays great role on an employee's decision to carry on working or to stop the work.

Job dissatisfaction follows in deciding to stop working in the company on the other hand, the employee may assess the value of searching for the new job. The employee search for an alternative job takes place and employee evaluates all the jobs that are available for him or her. Judgment is further made with the on hand job and the most option jobs that are searched and final decision is arrive at by either to continue working on the existing job or separating from the existing work as the final step.

Turnover rates for employees can be measured and compered overtime and across companies using what is commonly reefed to as the employee turnover index. The index is calculated as follows (Hammerberg, 2002)

TTR = (S/N) * 100 where

TTR= Total turnover Rate

S = Number of employees separated in the period

N = Average Number of employees in the unit in the period

2.1.3. Types of Employee Turnover

They are a few generally accepted forms of employee turnover; these include that voluntary and involuntary turnover, Functional and dysfunctional Turnover; Avoidable and unavoidable Turnover, Internal and external turnover and skilled and unskilled turnover. This sub topic is discussed about those different types of turn over that are maintained in the above. It is necessary to understand the types of turnover to identify the fundamental cause of employee turnover which leads to employees to leave their job or to terminate their relation sheep from Company (Armstrong 2006; Derek et al 2008).

2.1.4. Voluntary Employee Turnover

When employees leave an organization at their own discretion, it is referred to as voluntary turnover (Auer et al 2004). According to this definition the turnover is initiated by the choice of the employee. Abdali (2011) stated voluntary turnover as: "The turnover in which employee has own choice to quite or instance of turnover initiated at the choice of employees".

Voluntary turnover is voluntary cessation of member ship of an Company by an employee of that organization (Bevan et al 1997).

In addition, Ronia and Chaisawat (2009),

described that voluntary turnover the situation when an employee decides to end the relationship with the employee for personal or professional reasons.

As per this description, the decision to leave the organization is associated with being unsatisfied with the working environment of current job and having attractive and alternative from the other organization.

Employee turnover as a voluntary phenomenon refers to an individual self-initiated and permanent termination of membership in an organization (Reiche, 2008).

Based on this explanation the turnover occurrence is initiated only the employee him or herself and the turnover is permanent this means once employee separated from the organization, he or she does not join that organization again

For Academic interest in voluntary turnover results from the fact that organization have less control over employee initiated turnover than company initiated discharge (Reiche, 2008). Also, since high performing employees are thought to have access to more external employment opportunities than poor performers and are therefore more likely to quit, voluntary turnover is particularly harmful for organization performance (*Ibid*).

According to this argument high performer employees have more opportunity to leave the organization. Brahman (2005), for example, states that voluntary employee turnover means when an employee leaves the company with his own intension. It might be due to better job opportunity, existing job dissatisfaction, bad working condition or negative behavior of supervisors. This indicate that voluntary turnover is caused by better job opportunity from the other organization, bad working condition in the current organization and poor quality of managers in the current organization.

2.1.5. Involuntary Employee Turnover

Involuntary turnover is the turnover initiated by the organization often among people who would prefer to stay (Ronia and Chaisawat, 2009).

This type of turnover occurs when managers of the organization decide to terminate its relationship with an employee due to organizational bankruptcy or a poor fitness or performance.

Involuntary turnover can also be defined as "The turnover in which employees have no choice in their termination" (Abdali 2011.3). Based on this explanation the turnover is initiated by the natural phenomenon or by the organization itself. Hope and Macklin (2012:11-12) define involuntary turnover as 'an instance of involuntary turnover, or a discharge". This definition relates an employer's decision to terminate he employment relationship with different reason.

This type of turnover is initiated by the employer may be connecting with retirement, death and dismissal because of poor performance result or unethical behavior at work place, as well as resigning to take care of family member or movement of a spouse to another living place. The employee may initiate, involuntary turnover due to organizational bankruptcy, desires to decrease costs, introduction of new technology, and organizational re-structure (*ibid*).

2.1.6 Avoidable and Unavoidable Employee Turnover

For the better understanding it is also important to differentiate between avoidable turnovers and un-avoidable turnover results from life decision that extends beyond an employer's control, such as decision to move to anew working area or job transfer for a spouse.

Avoidable turnover is something organization can prevents by hiring, evaluating and motivating their employees more effectively (Ongori 2007). A turnover that happens in avoidable circumstances is called. Avoidable turnover: where as a turnover that happens in avoidable circumstances is called" unavoidable Turnover.

According to this definition the organization has to understand the cause of turnover is poor working procedure, the management of the organization can avoid the

turnover by improving the working procedures by facilitating for good performance but in case of UN Un-avoidable turnover such as death, permanent disability regular retirements and likes cannot manageable or it is impossible to control by designing any controlling mechanism.

2.1.7. Functional and Dysfunctional employee Turnover

Functional turnover can be defined as "turnover in which poor performance leave" while dysfunctional turnover can be defined as "a turnover in which a good performers leave" (Abdali 2011). The poor performer employee can leave the organization in any means and this situation is functional turnover, because the poor performer employees can be invaluable for the organizational when the poor performer employee leave the organization if negative influences of the organization by losing the employees who value add to the organization.

2.1.8. Internal and External employee Turnover

Internal employee turnover: - can happen when employees" send-off their current position and getting a new position with in the same an organization Filling vacant position by their employee. According to definition, When employees of the organization move from their position to another position or from one department to other department with in the same organization the employee leaves the current position or the department and the transfer or movement is known as internal turnover.

External turnover: - is the separation or termination of employee relationship of employees and employees voluntary or involuntary

2.1.9. Skilled and Unskilled Employee Turnover

Untrained, un-educated and unskilled position often face high turnover rate. Without the organization or business incurring any loss of performance, because employees can replaced easily. On the other hand skilled and educated positions may create a risk to the organization while leaving. Therefore, turnover for skilled and educated professionals leads for incurring replacement costs as well as competitive disadvantage of the business (Abdali 2011).

In this explanation when in experienced, un-qualified, inexpert and untalented employees leave the organization the turnover worry about unskilled employee turnover because it is simple to hire new ones. On the other hand high turnover of skilled employees pose a risk for business and ultimately in the organization in the form of human capital lost. This include skills, training and acquired knowledge. Since these specialized employees have skills that are relatively scarce and can be re hired within the same organization, their leaving can be a competitive disadvantage to the organization, in addition to the cost of replacing them (Taylor 2002). In general the organization face low risk with the unskilled turnover and face high risk with the skilled turnover.

2.1.10. An Assessment of Employee Turnover Intention

Employees voluntarily resign their engagement in organization for various reasons which can be classified in to two factors pull and push factors.

Pull factors includes the attraction of a new job in other organization and push factors may be dissatisfaction with the present that motivates an employee to seek alternative employment elsewhere. However, this research is focused on economy, demographic factors job satisfaction, compensation, working environment, leader ship styles, peer group relationship, employee advancement, training and development and job scope.

2.1.10.1. Economy

One of the most common reasons given for leaving the job is the availability of higher paying jobs.

Some minimum wage works reported for leaving on job to another that pays only 50 cents an hour more, obviously, in a better economy the availability of alternative jobs plays a role in turnover, but this tends to be overstated in exit interviews.

2.1.10.2. Demographics information of Respondents'

Factors empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of the workers As stated by Abdali (2011) the demographic and personnel characteristics of an employee may be reason of leaving from the organization.

These characteristics are including age, gender, qualification, marital status, experience and tenure. According to Parker and Skitmore (2003) top performing females have turnover rates that are 2.5 times those of their male counterparts, as a fact that they point out to the demands of balancing work and family life.

Moreover it has been found that female managers are more likely to leave their organization when they perceive a lack of career opportunities within their organizations.

Beside employees more qualified in their professionalism tend to leave the current organization because they have more opportunity to gain better work than employees who have less qualification (*ibid*, 55).

Marital status also has great influence on employees who have married, have children, and have stabilized family life situation prefer to stay in organization areas that they stabilized their family life. However employees who do not married and free to move from place to place can have more chance to exercise turnover. (Carroll et al 1999).

In addition employees who have more work experience and working condition than employees who have less work experience. A matured person has more confidence and patience on the work place than the younger one.

Revona (2012) states that with increase in age a person acquires greater level of confidence.

In this case demographic issue is lends to be overstated in questionnaire.

2.1.10.3. Job satisfaction

Employees of an organization may do have many attitudes about their wok and their working environment. These attitudes vary along many dimensions including objectives, specificity strength, salience and stability of the work and in this subtopic the attitude of employees on job satisfaction is discussed.

Aziri (2011) defined job satisfaction as any combination of psychological, physiological and environment circumstances that gives a person truthfully to say I am satisfied with my job

According to the definition even though job satisfaction under the pressure of many external factors it remains a something internal factor that has to do with the way how the employee feels. That is job satisfaction presents a set of factors that cause a feeling of satisfaction. Job satisfaction is defined as the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values (Derek et al 2008).

According to Derek et al (2008) job satisfactions are defined a multi-dimensional psychological responses to one's job this response have cognitive (evaluative) and affective

(Emotional) components job satisfaction refers to internal evaluation of the favorability of one's job this evaluation is revealed by out ward that is verbalized and in word that is felt emotional responses. The multi-dimensional responses can be ranged along good or bad, positive or negative phenomenon.

According to Deepa and Stella (2012) high job satisfaction leads to lower turnover while law satisfaction leads to higher turnover.

He argued that job dissatisfaction would be more predictive of turnover. Huckman (2018:16) defines job satisfaction as "all characterizes of the job itself and the work environment which employees find rewarding, fulfilling and satisfying or frustrating and unsatisfying" 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 of advancement and rewards.

As stated by Reiche (2008) job satisfaction is more about happiness on the work place. It is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences and it is widely accepted phenomenon that job satisfaction has negative relation with voluntary employee turnover in an organization job satisfaction is the most important variable to understand employee's intent to leave the organization. Based on the explanation, dissatisfied employee has more intention to leave the job employee can be enforced through different factors like bad working environment negative supervisors behavior, less promotion chances or less monetary rewards.

Empirical findings suggest that is satisfied employees are more likely to be effectively committed to their organization than those who are dissatisfied. They observed that job satisfaction rather than organizational commitment related to the actual turnover of employees.

2.1.10.4. Compensation

Monetary reward has been defined in such a way like cash or equivalent that an employee receives from the employer. Here equivalent reward includes fvinge benefits which are indicated in labor proclamation 377/1996, Medical facilities and severance payment. Monetary rewards have a negative effect on employee turnover. This reward helps to raise job satisfaction and likewise suite for minimizing the intent to leave the job (Nawaz, Rahman and Siraji 2009) Compensation plays an important role to retaining employees (Abdali, 2011).

I believed that frustration with salary and pay strongly motivate employees' turnover. The lack of different compensation packages like fringe benefits and incentive pay certainly generate a force on holding experienced and qualified employees. Employees demand an appropriate level of compensation for their effort. Such compensation may be offered in monetary (direct) rewards such as salary and bonus or bundled with other non- monetary (indirect) rewards Such as medical, insurance and transportation services (UT Lon IM polo) poor compensation widely known as one of the problem in the organization that leads to employee turnover.

According to the 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.

When looking at specific characteristics, pay level is one that stands as a being important to the most applicants. Pay considered one of the most effective and important job attributes in deterring applicant attraction to the organization. Employees preferred organization with high pay rather than law pay, flexible rather than fixed benefits, individual rather than team- based pay, and fixed rather than variable pay. This indicates that compensation is the most important elements in attracting, retaining and utilizing qualified workers in an organization.

The perception of getting fairness about the level of compensation the quality in the sharing of pay and rewards, strongly create turnover.

The conventional elimination of compensation packages doubtlessly misjudges the out came of discernment of fairness on the decision to exit (Abdali, 2011- 13-14). According this explanation making discrimination during offering compensation may cause employee turnover. Thus, the management of the Company should treat in equitable and justice during supervision, distribution of compensation and other important remuneration to retain well experienced and well qualified employees within the organization fair compensation policy is very important for both employer and employees.

Employee should compensate its employees in equitable manner with the work done, and employee should ask the amount of reward according to the work performance result. If so, it leads to reduction in employer turnover.

2.1.10.5. Supervision

According to Rose (2010) leader a raw defined as a senior executives, those described in academic literature as the top management team the coordination between mangers or supervisors with their subordinates may create impact on employee turnover. It depends on the employee's satisfaction with their supervisors

or managers and also with lack of good communication skills of supervisors or managers to handle their subordinates (Abdali 2011) employee are trusted in how they manage their own time and out puts and they have access to parts of the business previously reserved for management, such as strategic, tactical information and profit issue.

Decision making is a collective and interactive exercise that requires committed participation from both management and employees (Swanepoel, 2008). This implies are they interested in sharing of organizational decision making or not.

2.1.10.6. Peer Group Relation

The employee turnover can be seriously effect due to peer group relations. This strong relationship among the work group, Integration and satisfaction with the coworkers decreased turnover. The well-bolt peer-group relations are remit cause of turnover and also a source of job satisfaction (Abdali, 2011).

As this explanation, good and cohesive relationship among workers of the Company can reduce turnover.

2.1.10.7. Working environment

Working condition is play vital role to increase job satisfaction and organizational commitment in the labor force community.

The work environment includes factors or features that have all work related conditions for employees. Employees want to stay within the organization just have of clean and health working environment. The much between proportions of environment and employee values may be characterized out of trust worthiness with the organization (Abdali 2011:18). Since employees prefer to work in environment which suitable for their love, working environment is one of the main causes that influence employee to decide on whether to continues or to leave the organization according to Lamvert(2006), work environment factors, including supervision, autonomy, communication, support, authority, promotion, and input in to decision making have also been found to be related turnover.

2.1.10.8. **Promotion**

Promotion is defined as the movement of a person to higher level position in the company: conceptually, promotion is also defined "there assignment to an employee to a higher level job within an organization" (Hissan 2009). Job promotion might review through different measure scales like, satisfaction with promotion, opportunities and actual promotions (Abdali ,2001) 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 employees are not properly promoted, they will leave the organization without any precondition.

2.1.10.9. Job Scope

Job scope can be defined as "the density of the job and challenges of the job contents. Job scope may depend up on some moderators. One of the possible moderators of job scope is the strength of the growth need.

Complexity of job satisfaction is with work, and loyalty to the Company in employees who have the large and complex. It leads to high satisfaction of the employees in that organization. In these sense, when employees satisfied with the works of the organization it resulted in the reduction of turnover intention.

Job involvement may discourage employee to exit. Logically employees, who consider engage in their jobs, psychologically, acknowledged with their job, may feel bound to jobs (Abdali 2011). This indicates that when employees are assigned to their 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 objective and objective accomplishment lead to job satisfaction.

2.1.10.10. Training

Training and development is the effective way to enhance employee retention. Training constitutes a visible investment that the company makes in the worker, providing him or her with new skills and greater competency and confidence. Training often leads to work that is more intrinsically rewarding. Combined with effective communication about how an employee's efforts at developing skills will lend him or her to more challenging and meaning full position within the company. Many have put in place effective internal promotion program that allow even their unskilled and Sami- skilled work force to move towards positions at greater responsibility and remuneration within the company (Huckman 2008). Huckman indicated the career development plan for the employee's play a vital role in the retention of employees providing these career development opportunity helps to restrict employees from leaving the organization and increase in loyalty (*ibid*).

2.2. Empirical Review

Some study shows that employee turnover is likely to be higher and the most common reasons for employee turnover are:-

- Better opportunity in other organization
- Lack of career or promotional opportunity
- Change of career

- Amount of payment
- Lack of support from their managers or recognition

Studying about factors that are affecting employee turnover of medical promotion officer Tanuir Alam, shahind(2012) found that most of them are not satisfied with their job, so as far as they are not motivated it will be a cause of employee turnover. The employees are dissatisfied with their job security, social status, load of job, sales target, no room for family benefit package.

Though every public, non-governmental and private company are operating in the country, two study was selected, which are Ethiopia road authority and international rescue committee based on the availably of past study on the issue. According to Solomon (2007), Ethiopian Road Authority is one of the victims of employee's turnover. However, management who could take action to prevent it rarely considers it. The findings of the study revealed that inadequate wage level, poor moral and low level of motivation, mismatch between employee's personal value and plans with large corporate culture stated among factors contributing of employee's turnover. However, the study discloses nothing on any efforts made by the organization to reduce employee's turnover. The other is an experience of nongovernmental organization International Rescue Committee.

The study conducted on the organization related to the issue presented that the causes of turnover are family problems, poor leadership, dissatisfaction with the job, better opportunity in other organization.

There is same debate in the literature about how far employees should be concerned about employee turnover levels. Same writers have emphasized the potentially positive effects of a continuous transfusion of fresh blood in to the organization.

As cited by Stephen Taylor, (careellet al 1975) distinguish between functional and dysfunctional employee turnover and suggest that the former serves to promote innovative ideas and methods and can thus renew a stagnating organization, while (Hom and Girffeth 1995)

also draw attention to research that has shown functional employee turnover to be commoner than the dysfunctional form. The net result is an improvement in productivity as a poorer employees quit, leaving a higher proportion of good performers to enhance company effectiveness. They also note that high employee turnover gives employers more opportunity to promote and develop valued staffs and reduces the need to make costly redundancy when there is a dawn turn in business high employee turnover is Probably the least worry in industries employing people in relatively law skilled occupations that are the less required high levels of customer service.

Despite these points it is safe to conclude that for most organizations employee turnover in excess of 5-10 percent has more negative than positive consequences. The more the employees valuable in questions the more damaging resignation. Particularly, when they are move toward for competitors organizations. Aside from the costs directly as associated with the resignation, there are further good reasons for employers to minimize the number of employee leaving. These includes productivity losses, impaired quality services lost business opportunities, an increased administrative burden and employee demoralization.

Therefore if employees turnover is not managed properly it would be affected the company adversely in terms of personnel cost and in the long run it would affect its liquidity position.

In their analysis of turnover costs, Schultz and Schultz (2006) conclude that employee turnover is costly for organizations. Every time an employee quits, a replacement must be recruited, selected, trained and permitted time on the job to gain experience, Philip Connell (2003) as cited in Asmamaw (2011) concur and enumerate the costs of employee turnover to included recruiting costs, selection Costs, orientation cost, skill test costs, training cost loss of wages, administrative costs, loss of productivity, and loss of human capital and client satisfaction issues.

It is important for management to know why employees, particularly high performing employees resign from the organization.

The common way of investigation employee's resignation is by conducting an exit interview which also is another cost to the organization. The reason given by Phillip and connel (2003=1) as cited in Asmamaw (2011) for such interview is to investigate the reasons for the employee's withdrawal

If the reason given by the employee suggest in adequacies on the part of organization (for example in adequate salary, inequity, poor promotional system, none motivational system etc.) management can review the issue and this will help the organization in the formulation of retention policies that adequately provide for the short coming. In conduction an exist interview, some costs are involved and they must be taken in to consideration when calculating turnover costs. Bliss (2007) lists these costs to include the time of the person conducting the interview and the administrative costs involved in processing resignation letter, including stationery and printing. Before a recruitment process is initiated, a job analysis is necessary to determine the job content of the vacant position. A job analysis expert will have to be consulted to evaluate outstanding work and job requirements of vacant position. This cost also represents the employee's turnover costs and must be considered.

2.3. Conceptual Framework

Based on the overall review of related literature and the following model were developed The reasons including, monetary rewards, Job satisfaction, leadership styles, benefit package or promotional opportunity, peer group relationship, working environment, job scope and job satisfaction and training opportunities are sound to be the intention of employee to leave the company.

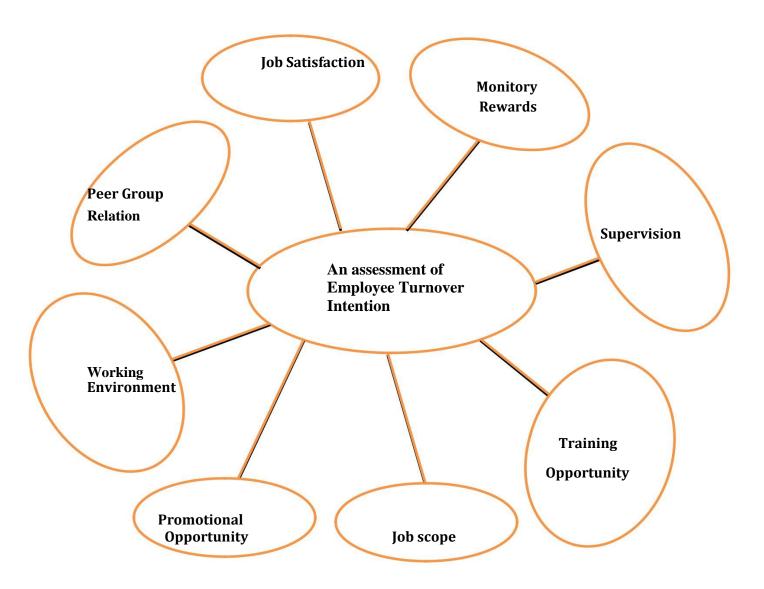


Figure 1: Conceptual Framework

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the research design, and methodology used in the study. Also it gives an over view of the research study, description of the instrument used for data gathering, targeted population, sampling system, source of data used and presentation based on the literature review questions.

3.1. Research Design and Approach

This research is primarily based on qualitative data, mainly b/c it tries to describe the intention of employees to words leaving a given company do to this nature, the research need qualitative Judgment of the researcher. Thus, the research combines both qualitative and quantitative data, while is analysis is pre dominantly descriptive in nature.

On condition where the researcher has chattel controlee ones the variable, descriptive approach helps to fill the gap. Unlike analytical, descriptive research is conducted to determine or identify variables, and attempts to stablish coloration. Furthermore, the research shows descriptive approach to as to describe the various aspects of phenomena.

Therefore, the researcher followed descriptive type of research and survey research strategy.

Qualitative data was gathered through key informant Interview and focus on observation. Since the study is academic and only in limited period. The experts who are working on the issues and management of the company are expected to have rich knowledge and data than the others workers. Representative of employees are sample from the existing random and systematic sampling to fill survey questionnaire.

The research approach in this study is chosen directly relation to the purpose of the research questions.

There are three basic type of research approaches quantitative, qualitative and mixed approach.

3.2. Population, Sample Size and Sampling Techniques

3.2.1 Population

Population of the study is the employees of Ayka Addis textile integrated factory. Currently the textile integrated factory has 4500(four thousand five hundred) employees who are working in both contract and permanent base.

According to Zikmund (2003) the target population refers to a group of specific population elements that are applicable to the research. The target population of this research refers to the 200 employees who are currently working in the organization.

3.2.2. Sample Size

The sampling frame for this study is the list of employees of the organization which is 4500(four thousand five hundred)

3.2.3. Sampling Techniques

In the process of conducting this study both random and purposive sampling used to select the study respondent. The study respondents from different production units of the organization were selected on purposive bases (non-probability sampling) because experts who are directly working on the issues and management of the company are expected to have rich information those the others experts.

Representative employees sample from the existing workers is selected based on the systematic sampling to fill questionnaire.

Population of the study is the employees of AAT. Currently the integrated factory has 4500(four thousand five hundred) employees who are working in both contract and permanent base Purposive and random sampling method was used for existing human resource expertise of the company are selected based on the availability and accessibility of the respondents.

3.3. Sample Unit

The sample unit is an existing employees of the organization who are, at least spent six months and above in the company.

The sample from five production units and office based on the actual manpower these are spinning one, spinning two, knitting, dyeing and Garment factories.

The questionnaire also prepared in simple English for better understanding of the target group and the questions are strictly discussed with organized team to support the respondents while they are filling.

3.4. Source of data

Both primary, secondary and Open ended questions data were used in conducting the research According to blaxter (2001), primary data is defined as a consisting of materials that one has gathered by home self through systematic observation, information archive, the result of questionnaires and interviews and case study which was completed. Data are primary if they have been gathered according to one's rational and inter prated by one to make a point which is important to one's own arguments. To insure that reliable and valid information are collected.

Saunders et al (2007) defined secondary data as a data used for a project that where originally collected for dome other purpose. The secondary source of information that the researcher used in the study included books, internet search, articles, and journal among others, this secondary sources help the researcher to identify how others have defined and measured key concepts and how this research project is related to the work of others.

3.5. Instruments of Data Collection

Required data is collected from both primary and secondary data sources, which complement and support each other. To gather primary data key informant open ended questioner is used. And there are prioritized questions.

Thus, Open ended questioner were prepared for experts and management who are working directly or related to job concerned factory/ production units/ of the and also interview questionnaires is conducted for collection of secondary data, necessary documents such as reports. Planning and other important statistic data are reviewed.

A questionnaire:- is a type of survey method that utilizes a standardized set of list questions given to individual, semi-structured interview and document sources. Survey for the quantitative strategy is used through distributing self-administrated questionnaires the questionnaires are structured as fallows

This First part the questionnaire is requires information about personal and demographic data of respondents. Questions are covering gender, age, and educational background, length of service in the company and marital status of the employees.

Opinion related interview questionnaire to employee turnover respondents asked about the causes of employee turnover in their company, the degree of satisfaction with the amount of payments paid to them for the work they do.

The five points scale is used to measure the level of the respondents' agreement in the table below

Table 1. Five points scale

s/n	Choice	Score
1.	Strongly dis agree	1
2.	Dis agree	2
3.	Neutral	3
4.	Agree	4
5.	Strongly Agree	5

Research question 2016

SA: Strongly Agree

A: Agree
N: Neutral
DA: Disagree

SA: Strongly Disagree

3.6. Data Collection Procedure

In order to collect sufficient data that can answer the research questions, researcher designed two surveys: the 1st was a questionnaire to get quantified results. The second survey was interview aimed to collect data from Human resource expertise in addition to questionnaire and interview data collected from company archive and from different published and unpublished materials has been also used and all questionnaires are used for academic purposes and that confidential was assured no one would fall a victim because of any adverse findings in connection with their job.

The following procedure were followed by the researcher to gather the data for Study

- Data collection tools are structured questionnaires, interviews and discussions.
- The questionnaires developed for current employees and pilot test checked for reliability.
- Correction was made based on the feedback obtained from pilot test
- The Amended questionnaire was delivered by hand to respondents at their work place during working hours and collected through assistants.
- Open ended questionnaire conducted for human resource expertise and managers
- Descriptive statistics data analysis method was applied to analyze quantitative data. Where data is scored by calculating the number, mean, frequency and percentage qualitative data analysis method was also employee to analyze qualitative data gathered using the interview check list and documents from human resource department.

3.7. Pilot Testing

Pilot test is defined as a mini version of a research or trail conducted in preparation of a full scale and may be conducted specifically to pre-test research instrument

Table 2: Case processing summary

	N	%
Cases valid	50	100.0
Excluded	0	0.0
Total	50	100.0

Reliability refers to the extent to which empirical measure adequately reflates the real meaning of the concept under consideration. However, an instruments cannot measure the attribute of the interest it is unpredictable, inconsistence and in accurate.

Table 3: Reliability Statistics

Variables	Cronbach`s Alpha Based on Standardized Items	N of Items	
Compensation	.729	6	
Supervision	.819	6	
Peer group relationship	.895	5	
Working environment	.712	6	
Promotional opportunity	.719	4	
Job scope and job satisfaction	.805	7	
Training opportunity	.775	5	
	.780	39	

Reliability statistics

So data has been collected from liable sources respondent who have experiences in Ayka Addis textile furthermore the study has been checked by other colleagues to determine its clarity and the reliability of the research structured questionnaire also measured.

The reliability test measures the internal consistency of the questionnaire items and the coefficient value shall be above 0.7. The rational for internal consistency is that individual items or indicators of the scales should be measured by the some construct and must be inter-correlated, (Hair et al, 2007). The pilot test with fifty sample respondents data of Ayka Addis Textile has been processed in SPSS to determine the Cronbach alpha result for study of the assessment of employee turnover in the firm and the result was 0.780 it is above 0.7 the result is acceptable.

Table 4: Summary of Statics

	Mean	Maximum	minimum	range	Maximum/minimum	variance	N of Items
Item Means	2.631	2.920	2.220	.700	1.315	.040	39
IVICALIS							

Summary items statistics

3.8. Methods of Data Analysis

Data is analyzed using Statistical Package for Social Sciences (SPSS) variables such as income, gender, age, service year in the company, Education status is also analyzed using descriptive statistic mainly number, frequency and percentage.

3.9. Ethical Considerations.

Confidentiality of and privacy are some of the most corner stone of field research activities in order to get relevant and appropriate data. The researcher assured the purpose of the research paper and confidentiality of any information gathered through questionnaire on the introductory part of the paper.

During data gathering some respondent's didn't show willingness to respond to the questionnaire but, the researcher approached and explained the purpose and assured the confidentiality and finally they were positive to give response.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter deals with analysis, result and finding of the data on the cause of employee turnover intention at AYKA ADDIS TEXTILE AND INVESTMENT GROUP IN ETHIOPIA. The data were gathered from 200 respondents. Out of these 200 questionnaires 198 were collected. From these questionnaires 195 were properly filled. Table 1 shows the questionnaires rate.

Table 1: Rate of administered questionnaires

	Q	Questionnaires rate						
	Filled & Returned	Not correctly filed	Not Returned					
Quantity	195	3	2					
Percentage	97.5%	1.5 %	1.0 %					

Source: Survey result (2016)

As shown on Table 1, 97.5 % out of 200 respondents have properly filled the questionnaires, and the rest 1.5 % and 1.0 % questionnaires were not filled and not returned respectively. The result shows that the data are adequate for the analysis.

4.1: Demographic information of Respondents

The respondents' demographic characteristics which consists gender distribution, age groups, their education levels, job experiences, marital status and their job positions are presented in the following tabular format.

Table 2: Demographic characteristics of the respondents

Item	Category	Frequency	Percentage
1-Gender	Male	95	48.7 %
	Female	100	51.3%
	Total	195	100%
2- Age Category	Less than 25 Years	41	21.0%
	26 to 35 Years	106	54.4%
	36 to 45 Years	36	18.5%
	46 to 55 Years	8	4.1%
	Above 55 Years	4	2.1%
	Total	195	100%
3- Education levels	Below tenth grade	53	27.2%
	Certificate	73	37.4%
	Diploma	55	28.2%
	Degree	14	7.2%
	Total	195	100%
4.1.5	T .1	25	17.00/
4- Job Experiences	Less than two years	35	17.9%
	2 to 4 years	46	23.6%
	4 to 6 years	70	35.9%
	6 to 8 years	29	14.9%
	Above 8 years	15	7.7%
	Total	195	100%
5- Martial Status	Single	118	60.5%
	Married	55	28.2%
	Divorced	12	6.2%
	Widowed	10	5.1%
	Total	195	100%
6- Job Positions	Operators	95	48.7%
	Supervisors	58	29.7%
	Shift leaders	28	14.4%
	Line Managers	14	7.2%
	Total	195	100%
	l	ı l	

Table .2.1- Respondents by Gender

The researcher sought to establish the respondents" gender and the research findings indicates that, 48.7% were male while 51.3 % were female.

Table 2.2- Respondents' by Age

The results of age, indicates that 21 % of the respondents were less than 25 years, 54.4 % of the respondents were between 26 and 35 years, 18.5 % of the respondents were between 36 and 45 years while 4.1 % of respondent were between 46 and 55 years and 2.1 % of them are above 55 years of age. The results indicated that most of the respondents were between twenty six and forty five years.

Table 2.3- Respondents by Education

The result of educational level: indicates that (27.2 %) of respondents were below high school level, 37.4 % of them were certificate level and 28.2 % were diploma holders. 7.2 % of the respondents were degree holders.

The result indicated that the majority of respondents were certificate and diploma educational levels.

Table 2.4- Respondents by Job experiences

The results of job experience, indicates that 17.9 % of the respondents have been working in Ayka Addis for less than two years, 23.6 % of the respondents indicated that they have worked 2-4 years while 35.9 % of the respondents indicate that they have worked from 4 to 6 years. 14.9 % of the respondents indicate that they have worked from 6 to 8 years. The remaining 7.7 % respondents have above 8 years experiences.

Table 2.5- Respondents by Martial Status

The results of marital status, indicates that 60.5 % of the respondents are single. 28.2 % of the respondents are married, 6.2 % of them are divorced.5.1 % of them are widowed. The results indicated that majority of the respondents are single.

Table 2.6- Respondents by Job Position

The results of job position, indicates that 48.7 % of the respondents are operators. 29.7 % of the respondents are supervisors, 14.4 % of them are shift leaders.7.2 % of them are managers. The results indicated that majority of the respondents are operators and supervisors.

4.2- Data Analysis pertaining of the study

In this section, respondents were asked to indicate their agreement/disagreement with each item on a five-point Likert scale ranging from 1 for "strongly disagree" to 5 for "strongly agree". The respondents were requested to indicate their perception on the variables. In a Likert scale, the range was "Strongly dis agrees" (1)" to "strongly agree"

(5). the scores of strongly dis agrees and Dis agree have been taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ($0 \le$ strongly dis agrees <2.4). The scores of "Neutral" have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: ($2.5 \le$ Neutral <3.4) and the score of both Agree and Strongly agree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; ($3.5 \le$ Strongly agree <5.0). A standard deviation of >0.7 implies a significant difference on the impact of the variable among respondents.

Data for examining the items were obtained through questionnaires administered to sample of 195 staff respondents of the company under study. The data collected were adequately analyzed and presented in tabular forms, and accurate interpretation drawn from them. Additionally, several phases of data analysis and

Data validation is done such as: validity test, reliability test and other analysis using the SPSS.

4.2.1- Respondents' perception on compensation

The respondents were requested to indicate their perception on compensation.

Table: 3 Descriptive statistics result on compensation

Descriptive Statistics

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Salary payment is satisfactory	195	1	5	2.73	.795
We have adequate medical services	195	1	4	2.55	.754
Bonus distribution is satisfactory	195	1	4	2.39	.705
Salary bases on labor market	195	1	5	2.51	.846
Equal payment is practical We have fair transport	195	1	4	2.57	.824
accommodation	195	1	5	2.65	.949
Valid N (list wise)	195				

Average Mean=2.56

Source: survey result (2016)

The descriptive statistics of table 5 shows that respondents have disagreed their satisfaction on salary payments indifferently that indicates a mean of 2.73.the same perception were related to the adequate medical services (Mean=2.55) and on bonus distribution the dissatisfaction rate lowers to (Mean=2.39) Labor market (Mean=2.51) and the practicability of equal payment policy (Mean=2.57) indicates low rate in the

Likert scale measures which is the sign of dissatisfaction in company's monetary reward practices. The mean of 2.65 for fair salary increment is also in the lower range of dissatisfaction indications.

The data collected above indicates average mean of 2.56 with inclination towards the "dissatisfaction" response in the Likert scale, the study can conclude that most respondents are not comfortable in the organization's monetary reward practices. According to the shamszzoha (2003) one of the most common reasons given for leaving the job is the availability of direct and indirect rewards.

4.2.2- Respondents' Perception on Supervision

The respondents were requested to indicate their perception supervision

Table: 4 Descriptive statistics result on supervision

Descriptive Statistics

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Honest Relationship	195	1	4	3.26	.878
Encouragement in skill	195	1	5	3.36	.977
Equally treated	195	1	5	3.20	.998
Understand job nature	195	1	5	3.42	1.009
Good Communication	195	1	5	3.29	.952
Timely Supervision	195	1	5	3.35	.959
Valid N (list wise)	195				

Average Mean=3.31

Source: survey result (2016)

Table 6 shows that respondents have agreed their satisfaction on honest relationship indifferently that indicates (Mean = 3.26), while (Mean = 3.36) indicates they also agree on the leadership style of skill encouragement. And, they rated another agreement scale on the practices of equal treatments that shows (Mean = 3.20), and leaders understanding the job nature (Mean = 3.42) respectively. Again the leaders communication style rated

(Mean = 3.29) Respondents agree with the leaders timely supervision activities (Mean=3.35)

The above data presentation indicates average mean of 3.31 with inclination towards the "Agree" response in the Likert scale, the study can conclude that most respondents agree the leadership style is progressively practical with indifference of apparent stumpy equality treatment, honest relationship, and communication practices.

4.2.3- Respondents' perception on peer group relationship

The respondents were requested to indicate their perception on peer group relationship

Table: 5 Descriptive statistics result on peer group relationship

Descriptive Statistics

Statements	N	Minimum	Maximum	Mean	Std. Deviation
I share my problems with others	195	1	5	3.80	1.151
I share my experience with others	195	1	5	3.74	1.234
I usually have a sound discussion	195	1	5	3.81	1.127
I am ready to share coworkers problem	195	1	5	3.84	1.081
I create smooth relation with coworkers	195	1	5	3.90	1.079
Valid N (list wise)	195				

Average Mean=3.81

Source: survey result (2016)

Table 7 indicated that respondents have agreed on sharing their problems with other coworkers (Mean=3.8) they also share their problems (Mean=3.74) they usually make discussions (mean=3.81) respondents were ready in sharing each other's problems

(Mean=3.84) and they mostly creates smooth relationships among themselves (mean=3.90)

These data presentation indicates average mean of 3.81 with inclination towards the "Strongly Agree" response in the Likert scale. The effect of good relationship between coworkers is expected to reduce employee turn overs. Contrary to the study result, the secondary data sources were indicating high level of turn overs.

4.2.4- Respondents' perception on working environment.

The respondents were requested to indicate their perception on working environment

Table: 6 Descriptive statistics result on working environment.

Descriptive Statistics

Statements	N	Minim um	Maximu m	Mean	Std. Deviation
Over all environment condition	195	1	4	2.52	.932
Supervisors equal treatment	195	1	5	2.35	.898
Communication is encouraging Environment initiate to stay in	195	1	5	2.40	.992
company	195	1	5	2.34	.891
Resources are timely provided	195	1	4	2.41	.889
facility enhance work accomplishment	195	1	4	2.53	.893
Valid N (list wise)	195				

Average Mean=2.42

Source: survey result (2016)

Table 8 indicated that respondents have disagreed on condition of overall environment condition (Mean=2.52) and, they also disagree on equal supervisors treatment of (Mean=2.35) additionally they are not comfortable on the encouragement in communication (mean=2.40) respondents were disagreed on environments conduciveness for their staying in the company (Mean=2.34)

The timely supply of resources (Mean=2.41) and the conduciveness of facility work enhancement (Mean=2.53) were respectively disagreed by the respondents.

These data presentation indicates average mean of 2.42 with inclination towards the "Strongly Disagree" response in the Likert scale. The effect of discomfort in working environment is an indication of the out flow of employees.

Since employees prefer to work in suitable work environment for their love, working environment one of the main reason that influence employees to decide whether to continues or to leave the company. (Lamvert, 2006)

4.2.5-Respondents' perception on promotional opportunity

The respondents were requested to indicate their perception on promotional opportunity

Table: 7 Descriptive statistics result on promotional opportunity Descriptive Statistics

Statements	N	Minimu m	Maximum	Mean	Std. Deviation
Good promotion is practical	195	1	4	2.44	.850
Promotion bases on performance The company has a promotion	195	1	5	2.41	.917
Policy	195	1	5	2.45	.958
Promotion Possibility	195	1	5	2.49	.986
Valid N (list wise)	195				

Average Mean=2.45

Source: survey result (2016)

Table 9 indicated that respondents have disagreed on the practicability of good promotion exercises (Mean=2.44) and the trend to scale promotions on bases of employees" performances (Mean=2.41). Moreover they disagreed on the availability of company promotion policy (Mean=2.45) and the possibility of promotion is uncertain (Mean=2.49).

These data presentation indicates average mean of 2.45 with inclination towards the "Strongly Disagree" response in the Likert scale.

The study concludes that promotional opportunity is unrealistic in their firm so this doesn't bind them to stay in the company.

According to (Abdali,2001) when Employees perceive no desire to advance within the system, they have no reason to remain in the current work situation. This means they will leave the company without pre condition.

4.2.6- Respondents' perception on job scope and job satisfaction

The respondents were requested to indicate their perception on job scope and job Satisfaction.

Table: 8 Descriptive statistics result on job scope and job satisfaction.

Descriptive Statistics

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Good Job Fit	195	1	4	2.99	.711
Job Autonomy	195	1	5	3.16	.831
Work on my capacity	195	1	5	3.02	.828
Job is equally disturbed	195	1	5	3.13	.898
Sense of Achievement	195	1	5	3.16	.887
Job is Recognized	195	1	5	2.96	.802
Feel Secure in my Job	195	1	5	3.01	.888
Valid N (list wise)	195				

Average Mean=3.06

Source: survey result (2016)

Table 10 indicated that respondents have agreed on condition of job fit (Mean=2.99) also, they agree on job autonomy (Mean=3.16) further they accept that the work on their capacity (mean=3.02) respondents were agreed on equality of job distribution (Mean=3.13) The sense of achievement (Mean=3.16) and their job recognition by their bosses (Mean=2.96) were respectively were moderately adored by the respondents. Finally, they feel that there are secure in their jobs (Mean=3.71)

These data presentation indicates average mean of 3.06 with inclination towards the "Neutral" response in the Likert scale. Apart from the other parameters, respondents

Have moderate rating on their job cope and satisfaction issues. This is an indication of retaining the out flow of employees.

4.2.7- Respondents' perception on training opportunity.

The respondents were requested to indicate their perception on training opportunity

Table: 9 Descriptive statistics result on training opportunity.

Descriptive Statistics

g					Std.
Statements	N	Minimum	Maximum	Mean	Deviation
Training Policy	195	1	4	2.51	.954
Training Need Assessment	195	1	4	2.92	1.015
Upgrading Training	195	1	5	2.88	1.113
Training Usefulness	195	1	4	3.05	.910
Training increase performance	195	1	4	2.88	1.016
Valid N (list wise)	195				

Average Mean=2.84

The descriptive statistics of table 10 shows that respondents have rated the company's training policy (Mean=2.51) not far perception were related to the training need assessment (Mean=2.92) and the crucial need of upgrading training (Mean=2.88) The importance of training usefulness (Mean=3.05) and the power of training in increasing performance (Mean=2.88) indicates low rating in the Likert scale measures which is the sign of dissatisfaction in company's training performances.

The data collected above indicates average mean of 2.84 with inclination towards the "Dis agreement and Neutral" response in the Likert scale, the study can conclude that most respondents are uncomfortable in the organization training Opportunity practices.

According to (Chaterine,2002) the career development plan for the employees play avital role in the retention of employees providing career development opportunity helps to restrict employees from leaving the company and in crease loyalty.

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This Chapter deals with the major finding of the research conclusions and Recommendations for assessed problem

5.1. Summary of Major Findings

- The result of the study indicates that majority of the respondents disagree, with current monetary rewards and the majority of the respondents agree with current supervision style.
- Concerning peer group relationship the majority of the respondents agree with the current relationship and the majority of the respondents are strongly dis agree with over all working environments.
- Regarding promotional opportunity of the company the majority of the
 respondents are strongly not happy with promotional opportunity and
 concerning job scope and job satisfaction the majority of the respondents are
 neutral but when come to Training opportunity the majority of the
 respondents are not agree with current training policy.

5.2. Conclusions

- To conclude the result of the study respondents are happy with supervision with peer group, relationship, but on the other hand employees are dissatisfied with the company monetary rewards, working environment, promotional and training opportunity.
- Regarding job scope and job satisfaction the employees respond is neutral which shows near to not happy.
- If the company employees not satisfied with the dominant assessment of employee turnover Intention that are monetary rewards working environment, promotional opportunity, training opportunity, and if they are neutral with job scope and satisfaction of the company employees are not

Perform their tasks properly as expected and also employer is not satisfied with productivity, so the result will be creating high employee turnover intention. The majority educational backgrounds of employees affected by turnover intention are certificate and diploma holder. The second category which is affected by turnover intention is experienced Employees who has more than four years' experience.

- If the company will not revise the benefit package of the company system employee turnover will be continues and the consequence of employee turnover will affect productivity of the company by losing high performer employees in the company.
- Finally five open ended questionnaire was distributed to the managers and Human resource professionals and the Employs response indicates that there is impartiality with monetary rewards, lack of motivation financially and none financially, Unequal payment for the same position, lack of promotional opportunity and poor conducive working environment. Where raised in the assessment of employee turnover intention and finally a perception of unfairness whatever the reality when seen from a management point of view is a major cause of voluntary resignation, so again it increases employee turnover who has intention to leave the company.

5.3. Recommendations.

On the basis of the entire study, the following recommendations are made for Ayka Addis Management consideration:

♣ Employees satisfied or agreed with the present supervision style and peer group relationship and agree with job scope and job satisfaction this increases the quality and quantity of work accomplished. Therefore, this is positive practice that must be encouraged further.

- ♣ Employees are neutral with job scope and job satisfaction this indicates that it is near to disagree and if not improved it will be the cause of employee turnover intention if they are not happy with job satisfaction the quantity and quality of production will be produced less and it affects the Company profitability and the quality of production.
- ♣ Employees disagreed or not satisfied with the current compensation or monetary rewarding system or all payment system consists with labor market and living expenses of the society including competitive pay scale, better incentive system, efficient medical coverage, Responsibility allowance, short and long loan system, and the company should develop other benefit packages beside the salary adjustment to retain well experienced and educated employees. If possible it is strongly recommended to be a leading in salary paying against current market scale.
- ♣ Promotion is another method of maintaining employees with in a given company. But in this regard employees are not satisfied with all promotional system of the company thus to reduce this problem promotion should be provided through policy and procedure for those who deserve based on the experience and performance evaluation.
- Career development is the most important retention causes since offering good opportunities for career development not only prevents employees from leaving the company it also contributes in a positive way to their loyalty to the company the promotion system of the company should be clear and give equal opportunity for all employees. So the promotion policy of the company can play a great role to retain qualified and experienced employees.

- ♣ Working environment one of the main causes for employee turnover. Employees prefer to work in an environment which is suitable for them. This is the most common reason why they move from the company to company with in short time. However if they find a good working environment in specific company, the company should work on providing all required facility and easy to perform the job so by checking proper conducive working environment, it is possible to retain well performer employees.
- ♣ Training opportunity should be developed and majority of the employees has to get chance. Doing this enables to enhance each employee's current job performance. Enables individuals to take advantage of future job opportunities and fulfill the company goals for dynamic and effective work force and also skill and knowledge are absolute like equipment's and technologies. Enough and relevant training has to be provided periodically to enhance their knowledge, skill and attitudes by assessing the training needs of employees. If employed are trained well, they will be able to take responsibility of making a good decision at work place or it is disagreed by employees or complaint area.

So expecting result without giving proper training in different ways is unjust for employees so in order to avoid the problem training should be implemented for all equally to fill belongings.

In general profit makers companies should revise all policy and procedures of the Company per year for better competition to minimize for those who have turnover intention instead of losing experienced and qualified employees. So they have to investigate the assessment of dominant causes for turnover intention and prepare workable or applicable benefit packages with clear policy to be able to attain the intended objective of the company.

5.4. Suggestion for further research

To address the limitation of this research, I recommended that further research can be conducted to investigate working culture of the company.

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Ayka Addis textile and Investment group human resource personnel file ☐ (http://WWW. Toolkit. cch.com)

Appendices I

St Mary's University

Post Graduate Studies Masters of Business Administration

Dear Respondents

This Interview is designed to gather information about the causes of turnover in Ayka Addis textile and Investment group

The purpose of the study is exclusively for academic purpose (requirement) as a master of business Administration in general management requisite. I assure you that all your responses will be kept in absolute confidentiality and you will not be held responsible for the Research out came. Therefore, your genuine, frank and timely responses are quite vital to determine the success of my study.

So I kindly request your contribution in fillingthe questionnaire honestly and responsibly to finalize my master's degree.

<u>NB</u>.

No need of writing your name..

Please respond as accurately as possible and at your earliest possible time.

Thank you for your cooperation

Belay Deres

Part I :- Demographic Information of Respondents

	Instruction:-E	Encircle the	letter of y	our cho	ice and p	out the	[√] mar	k in the bo	X
•	ovided Gender	Male		Femal	e 🔲				
2.	Age (In a year) D) 46-55	A) Less E) above 5	than 25		B) 26-	35 🔲	(C)36-45]
3.	Educational Qua A) High school		B) Certi	ficate [C) [Diploma	D) Degree [
4.	Work experience	2							
	A) Less than	2 years	B) 2-4		C) 4-6		D) 6-8		
	E) Above8								

5.	Position
	A) Operator(officer) Supervisor shift leader Manager
6.	Marital Status A) Single B) Married C) Divorced D) widowed
	s, sanger s, married s, sanger s, masses
	Part II: Issues related to the causes that are leading to leave the company. Instruction:-Please indicate your level of agreement /disagreement by
	ticking (\forall) in the box for your exact feeling based on the scale below
	N.B1: Stronglydisagrees2: Disagrees 3: Neutral 4: Agree 5: Strongly Agree
	Compensation

No	Statements	Scales							
	Statements	1	2	3	4	5			
1	1 am satisfied with my pay								
2	We have available transport service								
3	The company cover sufficient medical expense								
4	The company has a good incentive (Bonus) or rewards								
5	I am paid equally with my company workers at Work place.								
6	I am paid according to my work experience compare with labor market.								

Supervision

No	Statements			Scales		
		1	2	3	4	5
1	My supervisors deals with me honestly					
2	My supervisors in courage me to develop my skills					

3	My supervisors treat all employees equally			
4	My supervisor gives me enough supervision timely			
T	My supervisor understand the nature of my job			
5				
6	The way my supervisor communicate to the workers is			
	Quite good			

Peer group relationship

No	Statements			Scales	3	
		1	2	3	4	5
1	My personal problem is shared among my coworkers					
2	1 regularly share my experience with my coworkers 1					
3	have discussion with my coworkers any problem raised at work place					
4	I am ready to share coworker's problem					
5	I am playing role for smooth relationship in between my coworkers					

Working Environment

No	Statements			Scales	}	
		1	2	3	4	5
1	I am happy with the overall working environment of the organization					
3	Supervisors treat all workers fairly at the work place Communication which we have with supervisors is Encouraging					

4	My good working environment is initiating to stay in			
'	the company			
	Adequate work related resource are timely provided			
5				
6	Provided facilities enhance my task accomplish			
0				

Promotional Opportunity

No	Statements	Scales				
		1	2	3	4	5
1	Promotion in my organization is quite good					
2	Promotion in my company is based on performance result					
3	My company promotion policy equally apply for all					
4	The chance for promotion in my company is high					

Job scope and job satisfaction

No	Statements	Scales					
		1	2	3	4	5	
1	There is a good fit between my current job and my qualification						
2	Enough autonomy is allowed in my job						
3	l am working more than my capacity						
4	The workload in my current job is manageable and equally distributed among the workers						

	My present job gives me a sense of achievement			
5				
6	My immediate supervisor usually gives me recognition			
6	for jobs well done			
	I feel secured in my present job			
7				

Training opportunity

No	Statements			Scales	}	
		1	2	3	4	5
1	Training policy is fairly applied to all employees					
2	Training need Assessment is carried out time to time in my company					
3	Upgrading training is applicable in my company					
4	Training is useful for promotion in my company					
5	Company training enables employee to improve their performance					

Appendix II

St Mary's University

Post Graduate Studies Masters of Business Administration

Dear Respondents

This Interview is designed to gather information about the causes of turnover in Ayka Addis textile and Investment group

The purpose of the study is exclusively for academic purpose (requirement) as a master of business Administration in general management requisite. I assure you that all your responses will be kept in absolute confidentiality and you will not be held responsible for the Research out came. Therefore, your genuine, frank and timely responses are quite vital to determine the success of my study.

So I kindly request your contribution in making interview honestly and responsibly to finalize my master's degree.

Interview for management and human resource experts

do you use information obtained from exist interview?

1.	What are the causes contributing for employee turnover at AAT?
2.	What is the employee attitude towards turnover?
3.	What are the dominant causes for employee turnover?
4.	Do you make exit interview, when employees resign? If your answer is yes

5.	Is there any remedy to reduce employee turnover? What is your comment?