



**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF FACTORS AFFECTING EMPLOYEES'TURNOVER**  
**IN ST.MARY'S UNIVERSITY**

**BY**

**KEYYALEW SHIFERAW ALAMNEH**

**JANUARY 2017**

**ADDIS ABABA, ETHIOPIA**



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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF  
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## **Acronyms/Abbreviation**

HRM = Human Resource Management

CODL= College of Open and Distance Learning

SGS= School of Graduate Studies



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## **ABSTRACT**

*The study was designed to assess factor affecting employee's turnover in St. Marry University. The purpose of this study to find out the major factors employee's turnover and to examine the consequences of employee's turnover and give recommend the relevance human resources retention strategy. The methodology used to undertake the study was both primary and secondary data collected instruments. The sampling techniques employed to collect primary data were random sampling. The respondents were drawn from the existing employees. The target population were consists 491 permanent academics and administrative employees in head offices of the university. Based on the stratum, out of the target population 48 respondents were academic and 87 were administrative staff (135 respondents participated in this study) selected by systematic probability methods and stratified random sampling. Whereas, questionnaires and interviews were used for data collection, Descriptive statistics such as percentage, frequency, cross tabulation as well as mean and standard deviation are used to analyze the data. The findings of the study revealed that employee turnover is prevalent in the organization mainly because of low salary and benefits, low chance for Growth and development of Employee's career, Improper HR Practices, Job Dissatisfaction and related factors, unfairness, poor relationship of management and supervisor with their subordinate, high intention of existing employees to leave, the availability of better job opportunity. The major consequences of employee turnover on the university are significant influences on its' efficiency and effectiveness, loss of Morales of the existing employees that inspiring them to leave, reducing the quality of service delivery and reducing customer satisfaction. The university has also incurred different financial costs such as for separation, advertisement and recruitment costs. Generally the findings show that the actual turnover & employee's intention to leave the university is higher which requires the university to take corrective action and employ different strategies to retain its employees.*

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

The development of any country depends upon its educational development. This indicates that human productivity is important to the development of any country and the productivity comes through skilled labor force. Since productivity depends on the level of workforce, when workers quit their jobs the influence on the quality and quantity of products produced and services provided by the organization is higher. So according to Staw (1980) and Haines et al. (2010) turnover has become major interest of researchers and organizations during the last decades.

Employees are the most important resources for any organizations, because of everything manipulated and innovated by employees. Especially educational institution not only to compute and sustain, and also a sources of knowledgeable, skillful and talented human power for others organization, but employees quite from their organization in different causes and sources of turnover. Therefore to minimize employees turnover, human resource management involves a wide range of activities such as work organization i.e. distribution decision right (autonomy/ decentralization) between manager and employees, job design (Flexibility of working, job rotations), team working (Who works with whom?), incentive and remuneration system, appraisal system, promotion, career advancement and information system (Armstrong, 2006).

Employees' turnover leads to a loss of skills, knowledge and experience. Employees are more important than others resources, every organizational activity manipulated by human power (Guthrie, 2001). In additions Armstrong explained that human resource is the most important resources of any organization, it is only through people or employees that other resources of an organization are transformed into services or products, and achieve its organizational goals and objectives. To ensure the achievements of its organizational goal & objectives any organization need to have knowledgeable and talented employees in the right numbers & kinds, in the right places at the right time and it is crucial to retain an organization employees (Armstrong, 2009).

Employees' turnover has always been one of the challenges to the human resource management in many aspects. According to Armstrong (2009) employee turnover is considered to be one of the persisting problems in organizations. Turnover has negative and positive aspects, but many previous

researches indicate that turnover mostly brings negative consequences to an organization and also the interest of organization to reduce the negative impact; these negative consequences always involve direct and indirect cost. When employees leave the organization, replacing who have left the organization necessitates different organizational resources and has to incur a considerable amount of direct and indirect cost (Hissom, 2009) including advertisement costs, loss of time in administering and conducting the selection process, loss productivity, low quality of products or services, work imbalance or workload, loss of employee morale and employee training and development expenses for new recruits. The loss is very high when skilled and talented employees leave.

Moreover, higher turnover rate of an organization may create a negative image in the organization by the customers or by the community as a whole; this may have an influences by itself for job searcher to be employed in the organization making it difficult to get and recruit better employees.

Human capital theory suggest that, the knowledge, skills and abilities that people bring to organization; they need to be manage like other economic assets (Lee.Hsu, Lien 2006:2). Similarly, in the current situations to managing employee turnover is a critical issue for government and privet institutions. Human resources is the most important aspect of organization and the investment by the organization towards this resources is very high (Lee and Mitchell, 1994).

Many literatures on employee turnover lists a number of reasons for turnover, some of them are initiated by employees (voluntary) or by employer (involuntary). Involuntary turnover is uncontrollable factors on the other hand voluntary turnover is controllable factors. The most common reasons why employees leave a certain organization are that they see better opportunity elsewhere. Another reason could be that the employees are not happy with the organization like the employees are not happy with culture of the organization and management style. In addition the employees leave because of their fellow employees or their superior's clashes of personality are common in the work place. According to Hisson (2009) wage, company benefit, employee attendance and job performance are all factors that play a significant role in employee turnover. If it is not managed properly employee turnover can harm the overall performance of an organization and it would act as system for other major problems too much of employee turnover to loss organization performance, overloading retaining employees low morality. In case of this employees are dissatisfied and they are quite, the organization could face challenges to retain key employees, significant turnover cost, loss

of critical intangible knowledge and skills, low performance and finally decreased organizational effectiveness.

## **1.2 Background of the University**

St. Mary's University is one of the leading private Universities and it was established in 1998 as a college. After fifteen years of service as a College and a University College, it has been upgraded to University status by the Ethiopian Ministry of Education in September 2013.

The University is one of the leading higher education institutions in Ethiopia that provides quality education in various fields of studies. The Mission of St. Mary's University is to offer conventional and distance education that is accessible to the larger society through reasonable tuition focusing on quality and standards in teaching, research and outreach services. Today, it offers an extensive range of undergraduate programs. It is accredited for ten graduate programs.

The University has links with a number of National and International Universities. It is a member of the Association of African Universities (AAU) an associate member of the International Network for Quality Assurance Agencies in Higher Education (INQAAHE), an associate member of African Quality Assurance Network (AQAN), and that of the International Council for Open and Distance Education (ICDE). Its partnership agreement with Indira Gandhi National Open University (IGNOU) has brought about a significant impact on access to graduate programs at national level in the distance mode of learning.

According to human resource management 2016 report, current human resources capitals in the university academic staff based on educational level out of 483 academic staff 103 employees are M.A, 79 lecturer, 25 assistant professor ,4 associate professor and only 1 professor. On the other hand supportive staff educational level out of 378 supportive staff, 171 completed 110 levels, 54 diplomas, 34 degree and 9 M.A.

The University has a testing center that provides standardized tests, job placement tests, and international tests such as the Test of English as a Foreign Language Internet based test (TOEFL-IBT) and Graduate Record Examination (GRE).The University has four campuses in Addis Ababa. Currently the University has nearly 150 full-time academic staff and more than 800 employees, 12

Distance educational center 127 coordination offices throughout the country. However, this study covers the four compasses at the head office. (St. Mary annual report [www.SMUC.com](http://www.SMUC.com))

### **1.3 Statement of the Problem**

Employee turnover has always been a key concern of any organization regardless of its location, sizes and nature of the business. Employees' turnover occurs for many different reasons, such as by pull and push factors (Campion, 1991). Employee's turnover is significant to organization and individual, from the organization perspective a significant direct and indirect cost (Fair, 1992). Managing employees is an important aspect of every organization. Human power is more important for service providing organizations, particularly for educational institution to achieve the goals and to increase others organizational satisfaction by available human power. Without proper human resource management it is difficult to hand and retains the employees. High employees turnover is seen as a problem to be managed (Glebbek & Bax, 2004). Similarly the relationship between managers and employees influence decision to stay and leave. Hence the employees stays or quit determines by the relationship between employees and their managers (Dobbs, 2001:1). A high turnover rate nowadays, has becoming a major problem and a very expensive and extremely devastating aspect in human resource management. This problem is also visible in St. Mary's University. The researcher has observed this problem as an employees' of the University. The turnover shows a serious problem to the university in terms of losing of talented, skilled and experience employees and also associated with costs. When employees leave their job it causes a number of problems in the performance of the University. Losing a single key worker can decrease the possibility of an organization success and can reduce customers satisfaction and confidence on the University.

Turnover rate in the University had been increasing from time to time. The preliminary interview with the human resources manager and some employees reveal that the existing employees also have high turnover intention. As a result employee turnover is becoming a serious issue for the university; the university annual reports indicate actual employee turnover rate of the academic and administrative staff in the university from year of 2003 E.C to years of 2008 E.C, shows that turnover some years increased on the other years decreased but the data shows averagely 27.1% of employees quit from the university. Mainly the employee turnover in the university is voluntary turnover.

Despite this higher employee turnover rate in the University, its causes are not known. In the competitive business environment the success of institution depend upon employing skilled employees and retaining well experienced employees, with effective human resource management. Many authors tried to address the issue of turnover and investigate the cause of employee turnover in different organization, for instances Meskerm (2010) investigated the nature of academic staff turnover in Addis Ababa University on the finding that female more quit than male. Asmamaw (2011) professional employee turnover and retention practice of Ethiopia public sectors on a conclusion professional employee turnover in public sector organization more common than other organization. Similarly, Adugna (2013) Cause of employee turnover in Oromia public service organization, on the finding indicates the highest factor affecting employee turnover was employees' job dissatisfaction. There is no study that conducted on St. Mary University to Investigate Academic and administrative employee turnover. Thus, this study was conducted to assess the factors affecting employees' turnover and its consequences in the university undertaking. Therefore this study is designed to answer the following questions:

1. What are the factors affecting employee turnover?
2. What are the consequences of employee turnover in the university?
3. What strategies are in the university to retain employees?

## **1.4 Research Objective**

### **1.4.1 General Objective**

The purpose of this research is to find out the major factors employee's turnover and to examine the consequences employees' turnover on the exiting employees and university and possible recommendations that could be helpful to reduce employees' turnover in St. Mary's University.

### **1.4.2 Specific Objectives**

The specific objectives of the research are:

- To assess the factors affecting of employee turnover in St. Mary's university.
- To examine the consequences of employee turnover in the St. Mary's university.
- To examine the relevance human resources retention strategy devised by SMU.



## **1.5 Significance of the Study**

There are different challenges for top management and human resource management in organization. Employee turnover is one of the main challenging issues of the organization management. It is vital to examine the major and determinant factors influence employees to leave their job and identifying the major factors that determine turnover in this study not only to inform the significance of the variables under study, but also provide an idea to how much effort required to reduce turnover to avoid associated costs, and thus to improve organizational performance.

Moreover, the findings of this study can be used as source of information for those who are working and/or interested to work in this area and also serve as source of information for researchers and students who want to conduct researches on this and other related topics in the field. The paper create a favorable condition for other researchers, interested groups or individuals, to further investigate in detail assessment of factors affecting employee turnover and consequence. In addition to show the nature, character and effects of the turnover in the study area.

## **1.6 Scope of the Study**

Employees' turnover in wide sense includes voluntary and involuntary turnover. This study focuses only on voluntary turnover of Academic & Administrative staff at Addis Ababa St. Mary University head offices. The actual turnover trends of the university including from the period 2011 to 2016. However involuntary turnover in the university are low so it has no bring more significant change on the research result and also ex-employees were not including this study because too difficult gat physically as well as ex-employees interview documents are not fulfills in human resource department. Therefore the study focuses only existing academic and administrative employees. Distance program offices located in different parts of the country are not considered.

## **1.7 Limitations of the Study**

The analysis was based on data from attitude surveys of employees and management of the University that are currently on work in this case employees or corresponding University management. A better data could have been obtained had the exited employees been involved in this study.

The other limitation were poorly maintained secondary data by line offices in the study area together with the existence of no previous empirical study conducted in the University, may difficulties on examining the causes and trends of turnover for some longer years back. It would better analyzing the causes of turnover based on the reasons listed by those employees quit their job, but human resource management departments did not conduct exit interviews nor has forms developed to be filed by the employees during their request to leave the University; as a result information about these reasons is difficult to collect.

## **1.8 Definition Terms**

**Turnover:** - is the degree of individual movement across the membership boundaries of social system (Price, 1977, P4).

**Voluntary turnover:** - is reflecting an employee's decision to leave an organization where as an instance of involuntary turnover reflect an employer's decision to terminate the employment relationship (Allen, 2008).

**Involuntary turnover:** - is employment relationship terminated only by employer's decisions, without willingness of employees (Price, 1977).

**Extrinsic factors:** -are the external benefits provided to the staff member by the organization and the factors are not controlled by the employee and the factors are crucial in creating employee satisfaction (Herzberg, 1959).

**Intrinsic factors:-**are the actually factors that contribute to employees level of job satisfaction (Herzberg, 1959).

## **1.9 Organization of the Paper**

The study has five chapters. Chapter one is an introductory part that includes background of the study, statement of the problem, objectives of the study, significance of the study, and the scope and limitation and delimitation of the study. Chapter two assess the theoretical and empirical literatures related to the causes and consequence of employee turnover and the costs associated with it. Chapter three focus on the methodological aspect of the study. Chapter four deal about the results and discussions of the study. Chapter five provide the conclusion and recommendation/policy implications from the study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Theoretical Review**

##### **2.1.1 Definition of employee turnover**

Employee turnover is a movement of one organization to other organization, one place to another and also move across the nations in any time and in different reasons. According to Price (1977) employee turnover is “the ratio of the employees of organization who left in a particular period of time with the average number of employees in that organization during the same period of time.” Moreover Marisoosay (2009) defined that in human resources perspective it refers to the relative rate at which an organization gain and losses its employees. As well as to support this idea Kazi & Zedah (2011) and Abassi et al. (2005) also defined as employees turnover is the rotation of employees around the market area between organization, work and occupation and the states of employment and unemployment.

In terms of human resource employee turnover is a measurement of how long employees stay with their organization and how often to replace them. And also the perspective employee turnover can be defined as the rate of which an employer gain and loss employees. Simply it measures of how long employees tend to stay each time a position is vacated either voluntary or involuntary. This replacement cycle is known as turnover (Price, 1989:462, Marisoosay, 2009).

Turnover according to Price (1977) refers to the ratio of leavers to the average numbers employed during a year. He stated the formula as follows:

$$\text{Labour turnover} = \frac{\text{Number of staff leaving per year}}{\text{Average numbers employed during a year}} \times 100$$

##### **2.1.2 Actual Turnover vs. Turnover Intention**

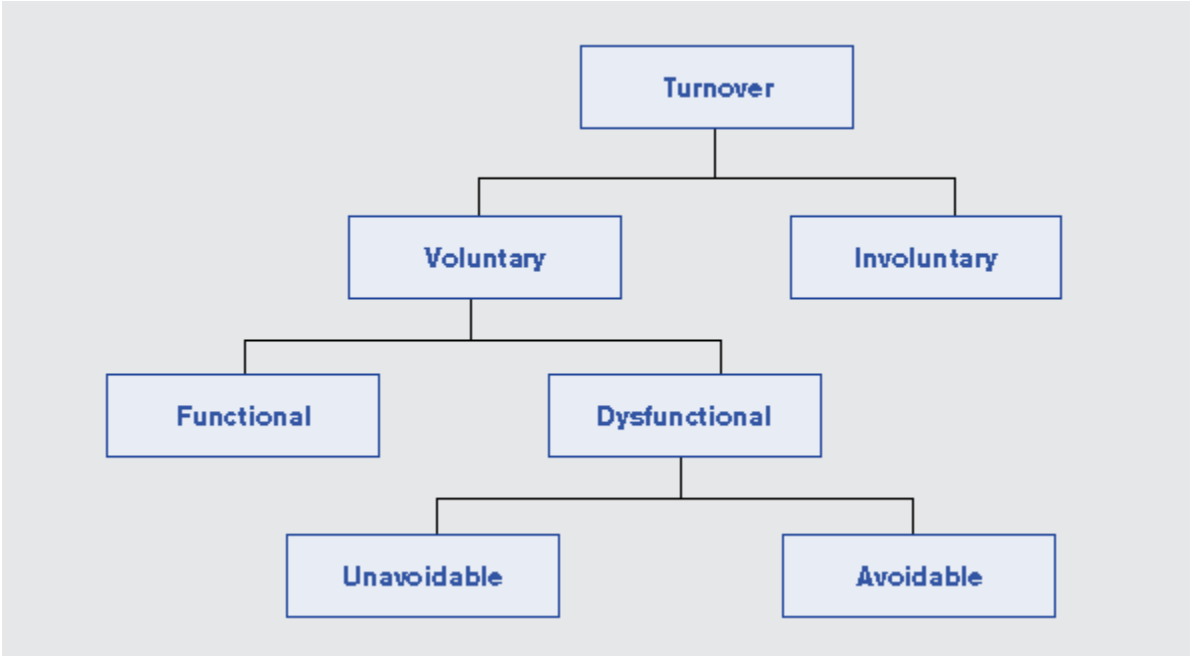
Actual employees' turnover and turnover intention is one of the problem have to give concentration by the human resources department. Both are one of the main aspects of the business that are directly affected organizational economic development. However, actual turnover and turnover intention are differing (Mobley, 1979). He also stated that turnover intention is the behavior of employees' intent to quit the current job, while actual turnover is the employees already quite from the organizations

(Mobley, 1979). According to Price (2001) turnover is the actual action that employees had leaved the company and move to other company for new employment relationships. On the other hand, turnover intention is behavioral that employees thinking of leaving and terminate for the current employment relationship, that was not actual action to leave the current job (Cotton and Tuttle, 1986). However turnover intention is the final phase that actual turnover have happen and it is the behavior that will direct influence on actual turnover. Therefore according to Ajzen and Fishbein (1980) supposed that intentions are the most appropriate to explain of actual action. On the Zhao et al. (2007) argued that in financial crisis turnover intention have no always drives to actual turnover, especially at this time the actual turnover may not actually happen in organizations.

**2.1.3. Types of Employee Turnover**

Employees turnover consist of both voluntary and involuntary. In addition voluntary turnover is also classified into functional and dysfunctional. Further dysfunctional has sub-classifieds into avoidable and unavoidable turnover.

**Figure 2.1: Turnover classification scheme**



Sources: Allen, D.G (2008)

### **2.1.3.1 Voluntary Turnover**

Employee turnover can be classified into voluntary and involuntary turnover. Voluntary turnover is initiated by the free option of the employees. It reflect an employee's decision to leave an organization, where as not to reflects an employer's decision to end the employment relationship and it can be affected by a lack of job satisfaction, job stress, work load as well as alternative opportunities (Neo et al., 2006). Similar definition is given by Allen D. J. (2008) stating that “an instance of voluntary turnover reflect an employee's decision to leave an organization where as an instance of involuntary turnover reflect an employer's decision to terminate the employment relationship. Voluntary turnover is controllable factors and stated satisfaction with remuneration, nature of work, human resource practice, and organizational commitment. Voluntary turnover is not only influence on organizational activities as well as organizational costs. Therefore organization incurs significant cost for both in terms of direct and indirect cost to Staw (1980).

### **2.1.3.2 Involuntary Turnover**

According to Mathis et al. (2004) and Price (1977) in involuntary turnover, employment relationships terminate only by employer's decisions, without willingness of employees. Similarly according to Allen et al. (2008) involuntary turnover, reflects an employer's decision to terminate the employment relationship, it includes retirement, and dismissal. Another definition states that involuntary turnover including the need to minimize cost, restructure or downsize. On contrary sometimes, involuntary turnover is considered to depend on factors that are outside the management control (Kazi and Zedah, 2011).

### **2.1.3.3 Functional and Dysfunctional Turnover**

Another important distinction is between functional and dysfunctional voluntary turnover. Functional turnover occurs when people leaving the organization are poor performers or employees whose talents are easy to replace. The employees want to leave the organization, but the organization is unconcerned. On the contrary, dysfunctional turnover is the opposite of functional turnover, as the best employees leave. The employee wants to leave the organization but the organization prefers to maintain the Employees (Allen, 2008). According to Abassi and Hollman (2000) argue that dysfunctional turnover (that is, good performers leave, bad performers stay) damages the organization through decreased innovation, delayed services, improper implementation of new programmed and degenerated productivity. This can happen for a variety of reasons, but a common cause is low

potential to advance. If, for example, a company fills its management positions with external candidates and does not offer them to internal employees, employees are likely to seek external opportunities for advancement.

#### **2.1.3.4 Avoidable and Unavoidable Turnover**

It is also important to distinguish between avoidable and unavoidable turnover as this moreover will determine the involvement needed to deal with the issue of employee turnover. Avoidable turnover stems from causes that the organization may be able to influence. Organizations can prevent by properly recruiting, selections, evaluating and motivating their employees more effectively and also to minimize or solve internal and external factors. On the other hand Unavoidable turnover results from life decisions that extend beyond an employer's control i.e. may be the organization has little or no control, For instance, if employees leave because of health problems, decision to move to a new area or a job transfer for a spouse (Allen, 2008).

#### **2.1.4 Factors leading to employee Turnover**

The causes behind employee turnover vary country to country, organization to organization and even person to person. Therefore a certain amount of employee turnover is inevitable. However high employee turnover is dangerous as it affects the growth and productivity of an organization. Voluntary turnover occur for many different reasons such as lack of opportunities for professional development, inadequate compensation, boredom/lack of challenge, poor work/life balance, job stress and unfair treatment, lack of vision, low salary, poor working environment, growth policies and low employee engagement. Turnover may be a function of negative attitudes, low job satisfaction, combined with ability to secure employment in a different place (Armstrong, 2006).

The major causes of high employee turnover is the intention of high pay, less challenging job and poor management, the causes of employee turnover is complex and not easily captured. Thus turnover might influence job performance when an employee who intentional to leave became less efficient and effective (Mobly, 1982).

In general employees' turnover expected to happen for any time and any reasons, it occurs by different pull and push factors. According to Herzberg (1959) in the above different factors divided in to two factors such as intrinsic and extrinsic factors and people are influenced to be satisfied and dissatisfied by these two factors.

#### **2.1.4.1 Intrinsic Factors**

According to Armstrong (2006:254) intrinsic factors is one of employee motivators and it include recognition achievement, freedom, position advancement, learning opportunities, nature, and kind of job and responsibility for task, interest in the job, advancement to higher level of task and career growth prospect, positions.

Herzberg stated that employees are motivated by internal values rather than values that are external to the work. So intrinsic variables to more influence, employee retentions than other variable (Herzberg, 1959). He also explained that intrinsic motivation refers to doing something because the task itself is interesting or enjoyable and to further that explanation, intrinsic motivation is based on the need for competence and self-determination and as well as it is not a primary drive, it energizes behavior and is vital to human function (Herzberg, 1959).

##### **2.1.4.1.1 Motivation**

Motivations are one of the main instruments to reduce the negative employee turnover rate inside the organization and it is one of the managerial roles and it has always been an important element on manager's agendas as well as the employees (Armstrong, 2009).

According to Gawali (2009) stated that high employee turnover normally causes lack of motivation and low morale. On the other hand, considering from another point of view it can be turned into a positive because lack of turnover can also result in de-motivation. Employees might think lack of turnover a negative due to the lack of likely promotions which influences interest (Gawali, 2009). Little or no opportunity for development could certainly result in turnover as employees search for positions with new organizations offering growth and future promotion. He also states that it goes against human nature to remain sluggish, carry out the same jobs every day and not considering any confidence for change in practice. This study goes to evaluate how cross training have effects on worker retention (Gawali, 2009).

##### **2.1.4.1.2. Demographic Factors**

Different demographic variable of the employee are also linked to turnover. These demographic variables such as age, sex the level of education and length of experience are among the factor describes by many scholar and human resource management. According to Price (1977) stated that an association of gender, education, age, length of service of employees with employee turnover. Age and turnover have consistent negative relationship, younger employees has a higher probability of

leaving (Price, 1977). Younger employees have more chance, low family responsibility and no lost chances in the existing organizations. The length of services, the higher is the turnover.

The better the education and length of service the employees have the more the opportunity to external environment and the employees to leave the existing job (Hackett, 1979). He also stated that experienced employees are necessary for the success of an organization (Hackett, 1979). For experience on the job and in the organization, workers must be stable. According to Meskerem (2010) in his study found higher rate of turnover for females compared to their counter parts and the younger the age of the employee is the more likely to leave voluntarily. In his study he found consistent negative relationship between age and tenure with turnover.

#### **2.1.4.1.3. Individual Factor**

Individual factors are one of the factors that influence turnover rate. These include both personal and trait-based factors. Personal factors including changing in family situation, a desire to learn a new skill, In addition to these personal factors there are also trait-based or personality features that are associated with turnover like be idle, absenteeism, abuse the job and interfere with (Mobley, 1977).

#### **2.1.4.1.4. Employee's Recognition**

Employee recognition can be given in many ways such as giving praises, providing opportunity, showing respect and recognized for achievement. According to Robbins (2003:102) states that individuals at all levels of the organization want to be recognized for their achievements on the job. Their successes do not have to be enormous before they deserve recognition, but the praise should be genuine. Recognition should help to attract, retain and motivate employees. Recognition refers to accept the fact that an employee has performed well.

#### **2.1.4.2. Extrinsic Factors**

Extrinsic factors are the external benefits provided to the staff member by the organization and the factors are not controlled by the employee and the factors are crucial in creating employee satisfaction (Herzberg, 1959). Further he stated that extrinsic factors are external to the job such as competitive salary, good interpersonal relationships, friendly working environment, job satisfaction, quality of supervision, human resource practices were cited by employees as key motivational variables that influenced their retention in the organizations (Herzberg, 1959). A combination of both



high intrinsic and extrinsic variables the employees to be high motivate so a combination of both variables should be considered as an effective retention strategy rather each variable use separately.

#### **2.1.4.2.1 Remuneration**

Remuneration is defined as the wages, salary, reward and compensation given to an employee in exchange for services the employee performs for the organization Robbins (2003). Poor remuneration is one of the reasons of employee turnover. However, remuneration not gives a long period of time satisfactions for employees' i.e. financial incentives will encourage employees at lower level, in short period of time, over the long term they need opportunities for growth (Tyani, 2001:98). According to Robbins (2003:72) stated that the main purpose of any remuneration system is to attract, maintain and motivate high quality employees. Reward is the compensation that employee receives from organization for service and effort they puts and it consists of financial and non-financial. This reward is depending on by the employees' job performance. Reward consists of five components that are, compensation, benefits, work life, performance and recognition. It includes fixed and variable pay; depend on the level of employee received. Salary is a fixed amount of money or compensation paid to an employee by an employer in return for work performed and it also correlates of turnover and turnover intentions and lack of satisfaction with job facets. Therefore salaries play an import role in employees' decisions to move or stay (Feng, 2009). Similarly low salary is one of the reasons to de-motivated employee performance (Rampur, 2009). According to Robbins (2003) one of the most common reasons given by employees leaving their current employment is the availability of higher paying jobs. Most employees feel that they are worth more than they are actually paid. The latter may be another cause of employees leaving their jobs feeling that there is no fairness in terms of salaries and relate this to discrimination (Feng, 2009) concludes by stating that, it is vital to accept a logical system of evaluating jobs salaries are fairly distributed at all. Employment benefits includes items such as retirement, health insurance, life insurance, disability insurance, paid leave, paid holiday, flexible scheduling and educational assistance. Therefore benefited and turnover have strong correlation (Feng, 2009).

#### **2.1.4.2.2 Job satisfaction**

According to Spector "*Job satisfaction is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1997).*" Job satisfaction has been found to be one case of employee turnover. The relationship between job satisfaction and employee turnover is negative.

Employees having job dissatisfactions leave their current employee easily (Abdali, 2011; Mobley, 1977). Low satisfaction leads to higher turnover. But job satisfaction is influenced by several factors. These factors divided into three groups: Demographic (age, gender), Intrinsic factors (achievement, recognition, works itself, responsibility, advancement and growth) and Extrinsic factors: company policy, supervision, relationship with boss, work conditions, relationship with peers and salary. Therefore the organization not full files the above factors, the employees to be dissatisfied and to quite or intention from their organization (Herzberg, 1959).

#### **2.1.4.2.3 Working Environment**

Working environments play vital role to increase job satisfaction and organizational commitment in the labor force community. A favorable work environment is a preferable to stay, retention and productivity of employees within the organizations. Employees, who feel appreciated and fulfilled are unlikely to leave, high committed and will work hard to further the organization's interests. The match between proportions of environment and employee values may characterize out trust worthiness with the organization (Abdali, 2011:18). On the other hand According to Armstrong (2009) Work environment factors, including supervision, autonomy, communication, support, authority, promotion, and input into decision-making, have also been found to be related turnover.

#### **2.1.4.2.4 Organizational Culture**

Organizational factors according to Armstrong (2006) the culture of an organization consists of human resource practices such as leadership style, feedback methods, evaluation methods /performance appraisal methods, reward and promotion system, recognition programs and work methods. It is the guide of values, norms, beliefs, attitudes and assumptions that may not have been expressed but shape the ways in which people act and perform. Armstrong (2006) also stated that organization's culture is a factor that may lead to employee's turnover. A mismatch between an employee's values and organizational values is a common cause. High turnover in an organization has been attributed to instability in the management of an organization. If the organization is secure and the work environment is favorable, employees went to stay in it (Armstrong, 2006).

#### **2.1.4.2.5 Human Resource Management Practice**

Many Scholars identified that human resource management practice has a huge impact on employee behaviors and attitudes. According to Armstrong (2006) defined human resource management as a tactical and strategic way to achieve, develop, supervise and encourage and gain the commitment of

the employees. However, turnover can be conflict through the implementation of “high performance work practices.” Armstrong (2006) also identifies different human resources practices that the impact of employees grievance handling procedure, employee management relationship, training and development policies, performance appraisal evaluation system working condition, reward and equal employment opportunity, internal promotions, performance (Versus Seniority) based promotions, skill-based pay, group based (gain sharing, profit sharing) pay, employee stock ownership, employee participatory Programs, information sharing, attitude surveys, teams, cross-training or cross-utilization, and training focused on future skill requirements, recognition, competitive compensation system, workplace environments, interesting work and job security. Moreover according to Guthrie (2001) intrinsic and extrinsic motivation factors this can assist manager to influence employee’s retention in their organization. The problem, however, is that human resource management has failed in identifying and properly using these variables as retention strategies thereby resulting in the prevailing high turnover rate in the organizations. Turnover is not only destructive to organizations, it is also costly, lost productivity, social capital and suffers customer defection when a productive employee quits. Knowledge, skills and contacts that a departing employee takes out of the organization constitutes a huge loss these attributes are, in most cases, lost to a competitor organization that may use this to gain competitive advantage. Therefore to solve the organizational problem all the human resource managers make several strategies to competitive advantage, to develop and retain such human resource. According to Armstrong (2006, p.390) talent management is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented employees it needs now and in the future and believed that good human resource management practice will minimize employee turnover.

#### **2.1.4.2.6 Employees and Supervisor Relationship**

The relationship between employees and supervisor is a cause of turnover. So employee leaves because of bad supervisor. A lack of respect or support from a supervisor is one of the top reasons employees leave their job. A negative employee-supervisor relationship is to contribute for poor feedback, a lack of recognition, lack of trust and belief. Thus open and clear communication helps an employee feel like he can trust his supervisor and also gives an employee a sense of control and participation. Good supervision is a means to reducing turnover and to motivate employees to stay despite the stress and frustration of the job. Lack of supervisory support, on the other hand, is often cited as a critical factor in an employee’s decision to leave. Inexperienced supervisors who lack

appropriate and timely training are sometimes simply unable to providing the needed employee support.

In employee and supervisor relationship, it is of necessity that employees' personal strengths, uniqueness, and rights be treated as primary element that reduce turnover. Supervisor should endeavor to make appreciative positive contribution that enhance employees work experiences and satisfaction, hence lead to reduction in turnover (Armstrong, 2009).

#### **2.1.4.2.7 Training and Development of Employees**

According to Armstrong (2006) employee training is another tool for employee retention. Training and development are aimed at improving employee's skills and abilities and they are necessary for both personal and organizational growth .Training may help employees to become more capable, gain confidence and to enjoy in their work even better. Thus, to reducing employee turnover will benefits business and save money (Mullins, 2005:452) moreover, replacing employee is costly and valuable skill are lost. The cost associated with employee turnover are simply huge, taking in to account the cost of recruitment, training and absence combined with average salaries and turnover rate (Tyani, 2001:101). In general, training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. If employees are well trained, they will become more efficient and productive. Therefore training is to help enhancing employees' skills, capabilities and knowledge, attitudes and behavior in order to improve work performance in the organization as well as to attributing to higher level of organizational commitment. However, many organizations do not spend enough on staff training. But training has different benefit both employees and employer such as can be summed up as improves morale of employees. The more satisfied employee has the morale; less supervision a well trained employee will be well acquainted with the job and will needless of supervision. Thus, there will be less wastage of time and efforts, fewer accidents- to minimize errors; chances of promotion increased productivity. Well trained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are properly trained (Dessler, 2000).

#### **2.1.4.2.8 Performance Appraisal**

Performance appraisal is a crucial part of performance management. It is the formal assessment of how efficiently and effectively an employee is performing their role in the organization. Performance appraisal in any organization is undertaken to meet certain objectives which may be in the form of

salary increase, promotion, recognizing training and development needs, providing feedback to employees and putting stress on employees for better performance (Armstrong, M., & Baron, A., 2005). Job satisfaction, defined by Locke, is “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (1976: 1304).

Performance is always measured in terms of outcome and not efforts. Performance appraisal is needed in most of the organizations in order to give information about the performance of employees on the job and give ranks on the basis of which decisions regarding salary fixation, demotion, promotion, transfer and confirmation are taken and to enables an employee’s job relevant strengths and & weaknesses as to identify shortage in employee regarding ability, awareness and find out training and developmental needs. There are various factors which may influence the performance appraisal system in any organization such as some factors which introduce bias whereas; some other factors hinder purposeful assessment (Armstrong, Baron, 2005).

Performance appraisals are one of the most important requirements for successful institutional and human resource policy and the system of one organization may vary from other organization. performance appraisals can be conducted effectively if there is a fair and accurate assessment of an employee’s performance as a difficult task and opinions that once the supervisor understands the nature of the job and the sources of information, the information needs to be collected in a systematic way, provided as feedback, and integrated into the institution’s performance management process for use in making compensation, job placement, and training decisions and assignments. Thus, performance appraisal helps for rewarding and promoting (Armstrong, Barons, 2005).

#### **2.1.4.2.9 Career Development or Promotion:**

A lack of development or promotional opportunities is a leading cause of employee’s turnover, according to Dessler, G. (2000) career development is an organized approach used to match employee goals with the business needs of the organization in support of workforce development initiatives. The purpose of career development is to: Improve each employee’s current job performance, facilitate individuals to take advantage of future job opportunities and to fulfill organizational’ goals for a dynamic and effective workforce. Career development involves managing employees’ career either within or between organizations. It also includes learning new skills, and making improvements to

help employee in employment career. Career development is an ongoing, lifelong process to help employee learn and achieve more in employment career (Dessler, 2000).

#### **2.1.4.2.10 Equal Employment Opportunity**

Equal employment opportunity also act as prevention of employment unfairness of demographic reasons which referred to age, sex and health related issue. According to Peetz, et al. (2008) stated that equal employment opportunity can be used to make sure that organizational human resource practices and rules that are fair to every employees. All organizational employees will be respected and valued equally by the organizations in their work place. Therefore every employee will have equal opportunity in getting promotion, reward, training, wages, retirement, responsibility, vacation pension and other benefits (Peet et al., 2008).

#### **2.1.4.2.11 Organizational Commitment**

Organizational commitment refers to attachment and loyalty. It is the relative strength of the individual's recognition with, and association in, a particular organization. Human resource policies are designed to employee commitment, to enhance organizational bondage, flexibility and quality of work and commitment has also been defined as the belief of an employee in the goals and values of an organization and the aspiration or stay with that organization (Mowday et al., 1982). *Moluday and steers defined commitment "as the relative strength of an individual's identification with and involvement in a particular organization" (1979, p.226).*

Robbins (2005) also had a similar definition of organizational commitment, the condition where the employee identifies with the organization and its goals and desires to continue being a member of that organization. To strength this ideas Mowday, Steers, & Porter (1979) defined as "*Organizational commitment is a strong belief in and acceptance of the organization's goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization.*" On the other hand, employees initiated to leave their employment in terms of routinely, ignored, bored or mistreated will not stay for long. To avoid this, managers must be strong leaders who show concern and acknowledgment for employees.

#### **2.1.5 Consequences of Turnover**

Employee turnover is crucial organizational issue. The result of turnover is either negatives or positives consequences to the organizations or individual depending on the situation. According to Achoui and Mansour (2007) the potential negative consequences of employee turnover include direct

cost and indirect cost such as recruitment & selection, training and development, low productivity and indirect cost moral impact, impact of work load, disruption of team and job performance operational disruption, demoralization, negative public relations, personnel costs, strategic opportunity costs, decreased social integration, reduce the organizational performance; quality of service and also positive consequence including higher income, job challenging, escape from stress environment (Mobely, 1982). On the other hand many researchers agree that not all turnovers are bad. Turnover is to some extent normal and fundamental to the growth of any organization. Turnover may be positive, if a non-productive employee leaves from organization while opportunities for other workers could come up from the change, plus opportunity to a position for an existing employee, hiring an employee with a superior skill level, increasing diversity, streamlining, and regulating the budget (Lau & Albright, 2011). In addition Robre (2004) supports this view by stressing some positive elements of labor turnover as helping the business to bring in fresh ideas, interest, experience, creativity, new perspectives, and new approaches to mention. He also explained that the poor performing employees' turnover might actually be a positive consequence for the employer. Thus, if a better replacement for a poorly performing employee could be found, the organization would achieve a positive impact, possibly in productivity, employee morale, or other tangible benefits (Robre, 2004).

Employee turnover may also bring organizations certain benefits. For example, if a less productive employee is replaced by someone more efficient or if a retiring employee is replaced by "young blood". A certain level of turnover may reduce the organization's personnel cost. The consequences of high turnover are both monetary and non-monetary costs and it can be a serious difficulty to efficiency, performance, quality, and success at any organization (Johnson, 2009).

Employee turnover costs an organization time, money, and other resources. Research suggests that direct replacement costs can reach as high as 50% to 60% of an employee's annual salary, with total costs associated with turnover ranging from 90% to 200% of annual salary (Allen, 2008). Similarly according to Porter (2011) employee turnover can cost an organization a large amount of capital when considering downtime, recruiting, interviewing, orientation, training, and ramp-up time and an entry-level position can cost an organization about 50 to 100 percent of the employee's wage. Generally turnover is very costly. Based on understanding the causes and the consequences of turnover, several

researchers had suggested solution and remedies to the problems of turnover through developing strategies for employees 'retention.

### **2.1.6 Employee Retention Strategies**

According to Reggio (2003) employee turnover “refers simply to the movement of employees out of an organization.” It is a negative aspect, which might lead to the failure of employee retention strategies in the organization. Most retention strategies require investments of time, money, or other resources. To design strategies that yield acceptable returns on those investments, and needed a clear idea of how many the costs associated with turnover in an organization any balance the benefits associated with turnover (Allen, 2008).

Retention of employees, particularly in a strong employment market and for those employees who are top performers, can be a significant challenge for organizations. While many employers appropriately attempt to retain top employees by offering opportunities for personal growth and development, interesting work, a pleasant work environment and strong value driven management, the reality is that many top performers still remain focused on their salary, mainly relative to the market place. But the significant challenge for employers in managing retention of their employees is the fact that different employees are motivated by different factors relative to their desire to stay with an employer (Mello, 2011). Therefore any retention program needs to be designed based on the needs of the employees who have been targeted for retention. To support the above ideas Ongori (2007) noted that the strategies to minimize employee turnover should be appropriate to the diagnosis of the problem and he also suggests a number of practical retention strategies that recognize labor market realities and value differences between employee differences: new compensation plans, job redesign, and job customization, strengthening social ties, and hiring the less mobile as well as linking potential defector with internal job opportunities is another market wise tool for retention. Moreover retention could be improved by many factors like better recruitment effort, selecting right man for the right job, continuous review of job specification and job description, compensation practices, leadership and supervision, career planning and development, working condition, team building, centralization, organizational communication and commitment, flexible working hours, employee participation, turnover policies and appreciations (Mobley, 1982).



## **2.2 Empirical Literature Review**

Even though there are a number of studies about employee turnover and it is a considerably studied incident, there are no common reasons found why employees leave an organization. However, the literature on employee turnover by many researchers identified a number of factors that have been considered to be significant indicators of turnover.

Empirical studies such as those conducted by S.R. Curran (2012) indicate that turnover is affected by human resource practices like non competitive salaries, ineffective recruitment and selection processes, inadequate training and lack of career developments. Employees prefer other companies which may provide them with higher benefits (Rampur, 2009). Similarly, Solomon (2007) also argued that the attention organizations pay to their employees, poor leadership and communication system has a direct influence on employee turnover. In addition Yohannes (2014) his finding indicate that dissatisfaction with pay structure, mismanagement; unfair reward and promotion system were some of the factors for employees' turnover. Similarly the finding of Chabay et al. (2011) show that lack of promotion, salary not being competitive with other institution and lack of appreciation of the work are some of the causes of turnover.

Moreover, Namasaka et al. (2013) find that dissatisfaction with conditions of work; insufficient career development opportunities at place of work mismatch between the person and the job. Employees feeling devalued and unrecognized, Loss of trust and confidence in senior leaders; and Poor relationship with colleagues are some of the causes of staff turnover.

However, no significant negative relationship was found between voluntary turnover and HR practices (Aminu and Jantan, 2005). In explaining this result Amanu and Jantan (2005) assert that whether there is good HR practice or not, there would always voluntary turn over as far as there are alternative jobs in the economy indicating economic growth is one of the root causes of voluntary turnover.

According to Neeuenelwa, Ncedo (2013) satisfaction and turnover have negative relationship. He concludes that satisfaction lead to higher level of productivity and minimizing turnover intention. Where as Boondaring, Manta, and Chasawat (2009) found, that inadequate recognition and reward for

job, benefits & salary are the main causes of employee turnover. Moreover the finding of Ahmed. R. (2014) in his study of in hospitality industry show that unacceptable working condition, poor training and low salary could lead to a higher employee turnover.

The other most frequently mentioned reason for higher employee turnover rate is to seek better salary and job opportunity. Employees are usually in search of jobs with higher salary. There is higher competition in the private sector and there is higher difference in the salary scale of different organizations. It is natural that, if one employee is paid less than other employers for similar work, employees with fewer salaries are likely to leave the current employer for higher pay (Handelsman, 2009). In addition to lower salary employees also leave their job because of the lack of benefits available, lack of opportunity for advancements.

Individual-level variables or demographic characteristics of the employees are also linked to turnover. These demographic variables such, age, education, and sex length of service, are self-explanatory (Martin, 1979). The better the education and length of service the employee has the more the opportunity he has in the external environment, which push him to leave the existing job. Some studies have found a negative significant relation between education and turnover (Porter et al., 1974) cited in Miller and Wheeler (1992). Other researchers like Stohr et al. (1994) reveal an association of gender, education, age, length of service of employees with employee turnover. Meskerem (2010) in his study found higher rate of turnover for females compared to their counter parts and the younger the age of the employee is the more likely to leave voluntarily. In his study he found consistent negative relationships between age & tenure with turnover. On the other hand Fahad (2011) found that only professional qualification of the employees may lead higher intention to turnover. Age, level of education, tenure in the organization and the level of income have no impact on turnover. In support of Fahad finding Jason and Hammer (2012) also argues that no significant difference in the reasons for leaving based on the gender.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses how the research methodology was employed in the study. It indicates the research design, the population, and research instrument, sampling techniques and data analysis techniques and the ethical consideration taken during the study.

#### **3.2 Research Design**

This study used both the qualitative and quantitative data collection methods. In this study the researchers used descriptive research design, specifically frequency, percentage, cross tabulation, mean and standard deviation which is the most commonly used research method in the social sciences.

#### **3.3 Sampling Design**

##### **3.3.1 Population**

The target populations for this study were St. Mary's university at head offices. The population of the study includes CODL, SGS, Testing center and Mexico campus of academic and administrative staff. The preliminary survey undertaken on the data from human resource department by the researcher currently indicated that the total population is 491.

##### **3.3.2 Sample Frame/Target Population**

The sampling frame for this study is the list of all employees within a population which can be sampled to participate in the study University employees and the sample frame consists of only the permanent head offices employees currently working at University which is 491.

##### **3.3.2.1 Sample Unit**

In this research, the respondent that are taking part the survey are the university employees such as tutor and assessor, lecturer, administrative employees and different office in university including regular, distance and testing center. But this mainly categorized in to two academic and administrative staff. The sampling unit was existing employees of the University who at least spent six months in the University.

### 3.3.2.2 Sample Size

Sampling size is the target number of respondent selected from the total population. The greater is the sampling size, the more accurate the results that can be obtain for the research. Total targeted population for the research is being calculated based on the University employees.

From the population of the university, appropriate sample for questionnaire administration was determined by using proportional sampling technique to give equal weights for academic and administrative staff and the total sample size was 135. The sample size is taken by the formula of Yamane (1967).

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

Where, n = number of samples

N = number of population = 491

e =error= 0.07

### 3.3.3.2 Sampling Technique

In this research, the researcher used multi stage sampling techniques. First the population was grouped in to academic & administrative staffs. In the second stage samples was determined from each stratum proportionally. Finally samples were taken by using systematic random sampling. This sampling technique was providing proportional representation of the population.

The researcher has taken the total sample size one hundred thirty five (135), out of 491 permanent employees, the systematic probability method was use to select each sample from the total population. By systematic when we divide N/n we will have got 3.7for academic staff and 2.7 for administrative staff which nearly approaching 4 and 3 academic and administrative staff respectively .This method was advantageous for the sample frame to have equal chance of selection. The distribution of the samples is described in the table below.

**Table 3.1 Total population and sampling**

	<b>Sample /program/office</b>	<b>Population/employees</b>	<b>Sampling employees</b>
1	Academic staff	133	48
2	Administrative	358	87
	Total	491	135

Source: own survey 2016

### **3.4 Sources of Data and Method of Data Collection Instruments**

#### **3.4.1 Sources of Data**

Primary data is used to collect data for the purpose of study and it addressing the problem in hand. Secondary data is also used for this research. The secondary sources of data include books, published electronic and print journals and websites, reviewed and analyzed documents and official reports from human resources office, finances report, annual report and bulletins on university management extracts, previous publication related research works and University records.

#### **3.4.2 Method of Data Collection**

The researcher used a survey questionnaire and structured interview to generate primary data.

##### **Questionnaire:**

Questionnaire was used to collect primary data. It combines both closed and open-ended questions. The nature of the questionnaires was prepared in English translated to in Amharic language. The translation takes place supported by the university English and Amharic experts and as well as checked and gave correction my close friends. This was easy for the respondents to express their opinion easily.

##### **Interview:**

As data gathering instrument, unstructured interview helps to gather the data required through face to face interaction with respondents. Accordingly the interview was conducted with those respondents at managerial levels. This instrument was selected due to the advantage it has to ensure high response rate. Moreover, it was helpful to cross check the data gathered through different instruments.

### **3.5 Data Analysis and Interpretation**

Descriptive data analysis was mainly used to analyses the data collected through the questionnaires and the data has analyses according to the objective of the study framing the different section of the questionnaires. In order to reach at the meaningful finding the data collection from the respondents through questionnaire and interview are analyzed and interpret proper data cleaning, editing and coding was done in order to post in the software. First raw data gathered through questionnaires was analyzed by using Statistical Package for Social Science (SPSS) computer software. In analysis the

data descriptive statistics techniques were used frequency, percentage, table, cross stab, mean and standard deviation helped the researcher to analyze and interpret the data detail.

The data collected through the interview was used. This interview data was also used during analysis and finally, conclusion and recommendations have been drawn based on the data analysis and interpretation.

### **3.6 Trust Worthiness of the Study**

#### **3.6.1 Reliability**

Reliability refers to the consistence, stability, or dependability of the data. The reliability of an instrument is increased by identifying the precise data needed and repeated use of the instrument in field testing. In order to ascertain reliability of this study a pilot study was conducted to in St. Mary University whereby questionnaires were distributed to some department heads and employees. This was done in order to identify questions that might be unclear or ambiguous to them. The question that gave ambiguous answers were revised and formatted again so that they could give reliable answers during the final process of data collection. In general the reliability of the questionnaire was improved through pre-testing of pilot samples from the human resource managers, department heads and unit leaders. This enable led the re-phrasing of some question. Therefore a pretest of questionnaire was carried out to guarantee a common understanding of questions among respondents and to increasing the correctness of the responses obtained from the respondents as per the need of this research study.

#### **3.6.2 Validity**

Validity refers to the extent to which a measurement does what it supposed to do (Kothari, 2003). Data need not only to be reliable but also true and accurate. The questionnaires were developed as per research objective and research questions and more designed using literature. after developed translate in to Amharic language in order to make the items compatible with the participant and after filed the questionnaires, some questions that were not correctly filled were dropped out so that they would not give wrong conclusions. Therefore if measurement is valid, it is also reliable but it is reliable, it may or may not be valid.

### **3.7 Ethical Consideration**

**Confidentiality** – The data were collected anonymously and kept confidential. The privacy of the respondents was duly respected in reporting for this research, any form of information gathered was only used for academic purpose. Every person involved in the study was entitled to the right of privacy and dignity of treatment and no personal harm was caused to subjects of in the research. The respondents were informed about the confidentiality of their responses and the data would be used only for academic purpose.

**Informed consent** – the study respondents' willingness to fill questionnaires was respected and verbal consent was taken. Moreover the purpose of the research explains detail the cover page of the questionnaire, for what purpose the study is conducted.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1 Introductions

This chapter presents the analysis of findings. The chapter is divided into four sections. The first section presents the descriptive statistics of respondent's general information. The rest of the sections are presented based on the research questions, Section two analyzes the factors affecting employee's turnover, Section three analyzes the consequences of employees' turnover university and Section four presents the findings on the improvement strategies to reduce employee turnover. One hundred forty questionnaires were distributed, out of this 135 questionnaires containing of 48 respondents from academic employees and 87 respondents from administrative employees were successfully filled and returned. According to the respondent rate below the table 4.1 shows that successful responses accounted for 96.4% of the sample, whereas 4.6% did not respond. Therefore, the response rate of 96.4 % was adequate for both the analysis and interpretation of the data. The questionnaire was structured according to a 5 point Liker scale format and the data was analyzed using descriptive, cross tab, mean and standard deviation and the statistical package for social sciences (SPSS) was used.

**Table 4.1: Response Rate**

Category	Distribution	
	Frequency	Percent
Responded	135	96.4
Did not respond	5	4.6
<b>Total</b>	140	100.00

Source: own survey, 2016



## 4.2 Employee Turnover Trends in the Last Five Years

**Table 4.2: Actual employee turnover rate at St. Mary's University**

Years	Average employed	Employees left	Rate of Turnover
2011	843	254	30.1%
2012	884	210	23.75%
2013	855	228	26.6%
2014	809	267	33%
2015	756	178	23.5%
2016	730	188	25.7%

Source: HRM Report of St. Mary University, 2011 -2016

The study required to establish the employee turnover trends in the University over the last five years. Table 4.2 shows that the actual employees turnover of the University by the number of employees who left their job between the years 2011- 2016. According the University human resource management report about 254(30.1%) of employees left in 2011 this indicates highly employees turnover year and 210(23.75%) in 2012, while 228(26.6%) in 2013, 267(33%) in 2014, 178(23.5%) in 2015 and lastly in the year of 2016 turnover increasing by 188 (25.5%). Moreover according to HRM report in 2014, 124 academics and 143 administrative staff leave from the university as well as in 2015 also 79 academics and 99 administrative staff quit their job from the university. Generally this shows that, there is high employees' turnover in this university.

### 4.3 Demographic Characteristics of Respondents

**Table 4.3: Characteristics of Respondents**

Item	Measurement	Frequency	Valid Percent
Gender	Male	86	63.7
	Female	49	36.3
	Total	135	100.0
Age	Below 25	13	9.6
	26-35	88	65.2
	36-45	21	15.6
	46-55	5	3.7
	Above 55	8	5.9
	Total	135	100.0
Level of education	High school completed	6	4.4
	Diploma	37	27.4
	Degree	57	42.2
	Master's degree	35	25.9
	Total	135	100
Marital status	Single	70	51.9
	Married	65	48.1
	Total	135	100
Salary earned	Below 1000 birr	10	7.4
	1001-2000birr	25	18.5
	2001-3000birr	37	27.4
	3001-4000birr	8	5.9
	4001-5000birr	22	16.3
	5000-6000birr	22	16.3
	Above 6000birr	11	8.1
	Total	135	100.0
Service	Less than 1years	11	8.1
	1-2years	21	15.6
	3-5years	38	28.1
	6-10years	40	29.6
	Above 10years	25	18.5
	Total	135	100.0
Work place /campus	Mexico	42	31.1
	Codl	69	51.1
	SGS	11	8.1
	Testing center	13	9.6
	Total	135	100.0
Staff position	Administrative	87	64.4
	Academic	48	35.6
	Total	135	100.0

Source: own survey, 2016

According to the result, the gender category includes male and female. There are 86(63.7%) respondents are males and in contrast 49(36.3%) are females. Depending on respondents' response, the majority the University employees are males.

Employee ages have different effects on turnover decisions. In the age groups, the most respondents found in the range of between 26 to 35 years old being 88(65.2%), while 13(9.6%) of the respondents of age below 25 years old and 21(15.6%) of respondents are between the age 36 to 45 years old. Only 5(3.7%) of the respondents are between the age 46 to 55 years old, the remaining 8(5.9 %) of the respondents age greater than 55 years. Generally from the total of the respondents three –fourth of the respondents are young and their age below 35 years. So, majority of respondents of current employees are young, energetic professionals and economically active age group.

In an attempt to ascertain academic qualification, the respondents respond that about their qualification. The qualification is categorized into four parts. Out of the total of respondents, only 6(4.4%) of respondents respond their level of education is high school completed and 37(27.4%) of the respondents are diploma holders. The majorities of the respondents 57(42.2%) had completed university education and they have degree holders, whereas 35(25.9%) of respondents are MA holder. This data shows that high numbers of employees in the study area are degree holder. Diploma holder and master degree holders respondent more or less similar proportion. This indicates that almost all of the respondents are graduates of college and university. Depending on the respondent responses more than 42.2% of the respondents are degree holder.

Employees marital status may be affect employee turnover decisions. Regarding marital status, out of the total of respondents 65(48.1%) of the respondents are married, whereas 51.9 % are singles. Thus, based on the result we can possible to generalize proportional numbers that about the university married and single employees, they have slightly differences between them.

Better salary package are to attract, retain and motivate employees in the university. In the above table also shows that salary earned, 10(7.4%) respondents get below 1000birr, 25(18.5%) respondents salary get between 1001-2000birr, 37(27.4%) respondent earned 2001-3000birr, 8(5.9%) respondents earned 3001- 4000birr, 22(16.3%)respondent earned 4001- 5000birr, 22(16.3%) respondent earned 5001- 6000birr , and 11(8.1%) respondent earned above 6000birr. Based on the respondents 53.3% employee's monthly salary have below 3000 birr. Low Salary is may be one of the reason to initiate

employees to quit their own organization. This indicates employees' salaries are very low and not cop up with current living standard. Salary creates to dissatisfying job. So employees are not satisfied with their salary, they will be more likely to quit their job.

Working experiences is one of the reasons for employees to leave their organization. Respondents were asked how long have been they served in the university. Thus, for interpreting and analyzing of data's the respondents years of services was categorized into five groups The result indicated that ,11(8.1%) of the respondents have been serving less than one year, 21(15.6%) have been served 1-2 years, 38(29.6%) of the respondents have been served 3-5years, while 40( 29.6%) of the respondents have been served 6-10 years, and 25(18.5%) of respondents served the university more than 10 years. From the data we understand more than 58.8% of the respondent served the university less than five years and also they have no more experienced.

Work place is one of the reasons employees to leave their job, different work places have different work environment, management styles, employees and manager relationship and HRM practices. Regarding work place the majority of the respondents 69(51.1%) work in codl and 42(31.1%) of the respondents work in Mexico campus. The other 11(8.1%) and 13(9.6%) respondents work in SGS and Testing center campus respectively. Based on working environment, relationship between employees and management, incentive and HRM practices, turnover intention are differ on the different compass.

The respondents were asked to indicate their current position in the university. As it is shown in the present participants staff position. The total of 87(64.4%) of the respondents are administrative the other 48(35.6%) of the respondents are academic. Position may be influence by itself to leave employees their job.

#### **4.4 Causes of Employees Turnover**

The previous section explains with respondent background information and this section present the analysis and interpretation parts. The primary objective of the data gathered was to understand the cause of employee's turnover and its consequences on employees and organization.

#### 4.4.1 University Working Environment

**Table 4.4: Respondents' perception on working environment**

Item	distribution	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Total
You are happy with the organizational culture and Working environment of the university.	Frequency	22	35	21	33	24	135
	Valid percent	16.3	25.9	15.6	24.4	17.8	100
You have good Relationship with coworkers.	Frequency	5	1	4	62	63	135
	Valid percent	3.7	0.7	3.0	45.9	46.7	100

Source: own survey, 2016

Working environment and organizational culture are not conducive to the employee's happiness and expectations it can be contribute to job dissatisfaction and employee turnover. If employees are happy with the current working environment they will enjoy their daily working activities. But if the working condition is not conducive they will leave the organization. As indicated in the table 4.4, employees were asked whether they are happy with the organizational culture and working environments of the university. The response shows that the total of, 22(16.3%) of the respondents are strongly disagree with the statement and 35(25.9%) disagreed, whereas 21(15.6%) of respondent neutral. while 33(24.4%) agree, and 24(17.8%) strongly agree with the statement. Based on the respondents 42.5% of respondents are not happy with in university working culture and working environment. On the other hand 42.2% of the respondents are happy with in the organizational environment. In addition my observation and interviewee respondents responses that the university have not transportation facilities, lack of good cafeteria around the offices, poor office layout. But the results shows that almost equal the respondents' responses happy and not happy with in the organizational culture and environment. This means half of the respondent's happy organizational culture and environment and the others are not happy. organizational culture and working environment may be enforcing employees leave their jobs, even if they offer competitive salaries .If employees of the university feel conducive working environment and better working culture, may be the level of quit in the university will decrease. Generally organizational environment and culture can play a role in determining whether employees stay or leave.

Employee’s feeling at the workplace is affected by co-workers relationship. It is one of reasons for employees to leave their job. Thus the result collected from the respondent show that, most of the respondents that are 62(45.9%) agree and 63(46.7%) strongly agree with good relationship with co-workers. This data shows that the university employees have good relationship. This helps to increasing employee’s performances, and may be support to minimizing employee’s turnover.

#### 4.4.2 Job Condition

**Table 4.5: Respondents’ perception on job condition to Job Condition**

Item	Distribution	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Total
The University Clearly stated your duties and responsibilities of job.	Frequency	17	30	15	48	25	135
	Valid percent	12.6	22.2	11.1	35.6	18.5	100
The University gives autonomy to do your job without intervention.	Frequency	5	1	4	62	63	135
	Valid Percent	12.6	22.2	11.1	35.6	18.5	100
Your current job is Well recognized and respected job by the society.	Frequency	5	17	19	53	41	135
	Valid percent	12.6	22.2	11.1	35.6	18.5	100
You job is highly routine and monotonous.	Frequency	20	22	12	45	36	135
	Valid percent	14.8	16.3	8.9	33.3	26.7	100

Source: own survey, 2016

Regarding job condition 48(35.6%) of the respondents agree with clearly stated duties and responsibilities of job, 30(22.2%) disagree. the level of agreement of the respondents shows more than the half of the respondent. If employees clearly know their duties and responsibility, they perform their works effectively, increases job satisfaction as well as help to minimize employee turnover.

Concerning employees’ autonomy and freedom to do their job without intervention, the result of the above table shows that, 19(14.1%) of respondents strongly disagree with the statements, 32(23.7%) disagreed with the statements, 19(14.1%) neutral, 37(27.4%) agreed with the statements and 28(20.7%) strongly agree with the statements. the data shows below 48.1% respondents agree and strongly agree and more than 51.9% of respondent neutral disagree and strongly disagree. Autonomy of employees is one of the major factors that affect employees’ satisfaction on their job. High intervention may discourage employees to stay in the company. The employees who have the freedom are more satisfied and enjoy their current job and are less likely to leave their organization.

As we can see in the above table the majority 44(32.6) of the respondents agree that their current job is well recognized and respected by the society 19(14.1%) of respondents strongly disagree with the statements, whereas 14(10.4%) disagreed, 33(24.4) neutral. On the other hand, 25(18.5%) strongly agree with the statements. Employees like to be recognized by the organization. Therefore, recognition is high probabilities to motivate employees to feel that they are the part of the organizations. If employees job may not respected and recognized by the society, the employees initiate to leave their job and asses other opportunity.

Routines jobs are to be boring and lack of challenges may lead to job dissatisfaction and also enforce to leave their job. Thus the result collected from the respondents shows that, most of the respondents said that 45(33.3%) their job is highly routine and monotonous, 20(14.8%) of the respondent strongly disagree, while 22(16.3%) disagree, 12(8.9%) neutral 36(26.7%) of the respondent respond strongly agree. The data shows more than 60% of respondents respond their works are routine and monotonous. When employees do routine activities, they become bored with their job. To solve the problems the University has to use job enrichment because it helps to encourages employees to develop their different skills, knowledge, decreasing boring works, and also minimizing employee turnover.

#### 4.4.3 Perception on current job Position

**Table 4.6: Respondents' Perception on their current job Position**

Item	Responses	Frequency	Valid Percent
Your position match, with your educational background.	Yes	88	65.2
	No	47	34.8
	Total	135	100.0
Are you Satisfied with your current job?	Yes	53	39.3
	No	82	60.7
	Total	135	100.0

Source: own survey, 2016

Mismatch of Employee's position with their skill and current job may result in employees job dissatisfactions which further cause employee turnover. As shown in the above table, when respondents were asked about the match of their position with their educational background,

88(65.2%) of the respondents responded that their current position is related to their educational background, and 47(34.8%) of respondents position are not related to their educational background. Employees are more satisfied work their profession and also help to stay their jobs.

Employees are satisfied with salary, working environment, promotion, compensation, career development etc. But if the above mentioned factors are not satisfied, employees may be dissatisfied, may not achieve organizational objectives and they leave their job. Thus the universities to achieve its own objectives depend on the degree of job satisfactions that are obtained from the work As shown in table 4.6, employees also were asked to their satisfactions with their current job, the responses shows that 53(39.3 %) of respondents are satisfied with their current job 820(60.7%) of respondent are not satisfied with current job. Based on the respondent respond 60.7% are dissatisfied with their current jobs employees having job dissatisfaction easily leaving their current job.

#### 4.4.4 Salary and Benefits Packages

**Table 4.7: Respondents' perception on salary and benefits**

Item	Distribution	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Total
You are happy with the existing salary scale of the University.	Frequency	72	47	7	7	2	135
	Valid percent	53.3	34.8	5.2	5.2	1.5	100
The Salary and benefit motive you to stay the University.	Frequency	68	51	10	5	1	135
	Valid percent	50.4	37.8	7.4	3.7	.7	100
Your Payment is based on your work experience and performance.	Frequency	59	56	8	9	3	135
	Valid percent	50.4	37.8	7.4	3.7	.7	100
The incentive and benefits packages of the University are equitable.	Frequency	64	49	12	7	3	135
	Valid percent	47.4	36.3	8.9	5.2	2.2	100
You are happy with the amount of annual increment of your salary.	Frequency	69	42	8	9	7	135
	Valid percent	51.1	31.1	5.9	6.7	5.2	100

Source: own survey 2016

Dissatisfaction with salary is one of the main reasons for the employees to quit their job. Table 4.7, summarizes the extent of the respondents level of agreement and feeling on the existence of salary scale in the University 72(53.3%) of respondents respond strongly disagree with the existing salary



scale, while 47(34.8%) of respondents respond disagree with the current salary scale and 7(5.2%) respondents are neutral 7(5.2%) of respondents are said agree only 2(1.5%) of the respondents respond strongly agree. Therefore according to the respondents respond existing salary scale of the University is not attractive. Salary is one of the main factors for employees choose to leave current job and look others for higher pay opportunity. Therefore better salary scale and benefit systems can retain or forces employees to quit the job. So to minimize employees' turnover, the University should have regularly benchmark salaries against those of other companies or market standard.

Salary and benefit packages of the University enable employees to remain on their job. The data collected from respondents, reveals that 68(51.2%) of the respondent said they strongly disagree with the statement of that salary scale and benefits motivated to stay in the University and 51(37.8%) of the respondents are disagree with the statements. While 10(7.4%) of the respondents are said neutral and 5(3.7%) of respondents response agree. only 1(0.7%) of respondents response strongly agree. In other words the majority of respondents argue that the university salary and benefits is not attractive. The majority 89 % of respondents said that salary scale and benefits are not motivated them to stay in the University. This means, dissatisfaction with pay significantly leads declining in the service of the University including a low morale on the teaching learning processes of the University.

In addition, the questions with regard to employees payment or salary based on working experience and performances, the response show that More than 87.2% of the respondents respond payment or salary is not paid based on their own experiences and performances. Therefore, if employees are not paid based on their experiences and performances, they will not be motivated and in the end leave their company.

Regarding the equitable incentive and benefits packages of the University, the data shows that more than 64(47.4%)of respondents respond strongly disagree and 49(36.3%) disagree with equitable incentive and benefits package in the University. Thus, inequitable incentive and benefit package enforces employees to leave their jobs.

When Respondents were asked if there is yearly salary increment in their organization, the majority (82.2%) of the respondents respond they have no good feeling the amount of yearly salary increment. Based on the data employees are dissatisfied with the amount of yearly salary increment because of the salary increment has no any effect on their life as the cost of living in increasing in advance of it.

The overall university financial issues attractiveness is low. So, employees are not staying in the University based on unattractiveness of the financial issues of the University. Moreover, the researcher's assessment and the interview of employees show that the university salary scale is less than government and other private universities. For example, the beginner master employees' salary in St. Mary's university is 4100 birr, but government and other private university salaries are more than 7000 birr. The salary differences are not based on differences in the value of the job because the major activities of any university are teaching, learning, and research development.

#### 4.4.5 Workload

**Table 4.8: Respondents' perception on work load**

Item	Distribution	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
The work load is divided equally among all employees within the University.	Frequency	39	53	16	19	8	135
	Valid percent	28.9	39.3	11.9	14.1	5.9	100
The work loads of your department or unit are too high.	Frequency	23	30	15	37	30	135
	Valid percent	17.0	22.2	11.1	27.4	22.2	100
Overload of your jobs influences you to leave the university	Frequency	11	23	30	30	32	100
	Valid percent	8.1	17	22.2	22.2	23.7	

Source: own survey, 2016

Equal and fair distribution of work load among the employees was one of the questions forwarded for respondents. As shown in the above table, 39 (28.9%) of the respondents strongly disagree with fair work load distribution with employees. Others 53 (39.3%) of respondents responded disagree. Based on the response, the data indicate that the majority 68.2% of the respondents feel that work load is not equally distributed among all employees. Therefore, unfair work load may be one of the factors that inspire employees to quit.

High workload influences employees to leave their current job. 37 (27.4%) of the respondents strongly agree that there is high work load. 30 (22.2%) of the respondents responded strongly disagree. Based on the data, nearly half of the respondent said that high level of agreement related with high work load in

department. Workload is one of the factors employees to leave their job and also the cause of to reduced quality of services and increasing work stress.

Over loaded Employees may become less motivated and dissatisfaction. And it could be the source of work stress, absenteeism and turnover. As indicated in the above table, 32(23.7%) of the respondents strongly agree with over load 30(22.2%) of the respondents said agree, while 23(17%) of the respondents said disagree and only 11(8.1%) strongly disagree, more than 45.9% of the respondents respond high level of agreement on workload. Based on their responses, overload influences employees to quit their jobs. The employee's turnover results in increasing workload to the other existing employees in the University. About three- fourth of the respondents suggest that work overload is one of the factors that leads to high turnover in the University; whereas, about 32.9 % of the respondents respond that the influence of overload in employees leave is insignificant. Based on the interview with the human resources managers' and department heads, though they say that the normal weakly teacher's workload is 18 credit hours, in practice currently teachers teach not only for about more than 25 credit hours per week but also they teach different courses.

#### 4.4.6 Employees Commitment

**Table 4.9: Respondent's Perception on Employee's Commitments**

Item	Distribution	Strongly disagree	Disagree	Neutral	Agree	Strong agree	Total
You have Strong sense of belongingness towards the University	Frequency	11	13	17	58	36	135
	Valid percent	8.1	9.6	12.6	43.0	26.7	100
You are Committed to attract or recommend competent workers	Frequency	33	33	27	26	16	135
	Valid percent	24.4	24.4	20.0	19.3	11.9	100
You are Willingly to accept additional tasks	Frequency	19	22	23	43	28	135
	Valid percent	14.1	16.3	17.0	31.9	20.7	100

Source: own survey, 2016

As shown in the above table, 11(8.1%) of the respondents strongly disagree with employees strong sense of belongingness towards the organization and 13(9.6%), of the respondents disagree with this statements while 17(12.6%) of the respondents also said that neutral. The majority of 58(43%)

respondents agree with employees strong sense of belongingness towards the University and 36(26.7%) of respondents responded strongly agree with in employees strong sense of belongingness towards the University. The overall data from respondents shows that the majority 69.7% of the respondents respond that they have strong senses of belongingness towards the University. If employees have strong sense of belongingness, the level of stay in the University will increase many researchers believe that employees have high commitment to the organizations to have no intention to quit the existing job. But based on the respondents the reverse for this the respondents' responses high belongingness for the University. On the other hand they response high intention to leave.

In the second Items of the same table indicates, respondent extent of agree or disagree in employee committed to attract or recommend competent potential workers to the university, 33(24.4%) of the respondents are strongly disagree and disagree with employees commitment to attract or recommend competent workers, while 27(20%) of the respondents are neutral. In addition 26(19.3%), and 16(11.9%) of respondents responses, agree and strong agree that employees are committed to attract and recommended competent workers to the University. Therefore, from the above data, most of the respondents assume as no interest or willingness to recommend and attract competent employees to the University.

As the same table in the third items summarizes, the level of agreement and disagreement of the employees willingness to accept additional tasks of the University, 19(14.1%) of respondents said strongly disagree, 22(16.3%) of respondents respond disagree, 23(17%) of respondents are neutral, 43(31.9%), and 28(20.7%) of respondents respond agree and strongly agree respectively. Therefore, based on the data, almost half of the respondents respond they have not willingness to accept additional University tasks. Based on the data, in general the university employees have strong sense of belongingness to the University but they have not committed to attract and recommended competent potential workers and no interested accept additional task.

Even though most of the respondents of the University 69.7% of the respondents responded that they have strong senses of belongingness towards the University. But most of the respondents have willingness to work other additional tasks but they have no committed to attract or recommend competent workers to the University.

#### 4.4.7 Promotion, Training and Career Development

**Table 4.10: Respondents' Perception on Employees Promotion and Training Development**

Item	Distribution	Strong disagree	Disagree	Neutral	Agree	Strong agree	Total
There is clear and fair promotion and career development mechanism based on performance & experiences	Frequency	46	47	19	14	9	135
	Valid percent	34.1	34.8	14.1	10.4	6.7	100
There are better training and development practices at your university	Frequency	33	44	22	27	9	135
	Valid percent	24.4	32.6	16.3	20.0	6.7	100
You have got enough training needed for your present position	Frequency	33	45	23	23	11	135
	Valid percent	24.4	33.3	17.0	17.0	8.1	100
You are happy with your personal and professional growth of your existing jobs	Frequency	36	50	19	24	6	135
	Valid percent	24.4	33.3	17.0	17.0	8.1	100
There is a better chance for promotion and career development of your existing jobs	Frequency	50	35	24	18	8	135
	Valid percent	37.0	25.9	17.8	13.3	5.9	100

Source: own survey, 2016

Better promotion and career development are important for all employees in the workplaces and they help employees to do their job in a better way, and these minimize to employees turnover. As shown in the above table, more than 93(68.9%) of the respondents expressed their disagreement on the organization's fair promotion and career development mechanism based on employees' performance & experiences. Therefore, based on the data we can conclude that there is no fair promotion and career development mechanisms that considers employees' performance and experience in the university. So, unfair promotion and career developments are one of the factors employees to quite their job. Providing employees with clear and fair opportunity of career development and promotion system build sense of belongingness and minimize turnover. Therefore, to retain knowledgeable,

experienced and skilled employees in the University, treating employees' fairly and equally plays a pivotal role.

Training may help staff to become more competent and to enjoy their work and also helps to retain them. Regarding to the provision of employees with better training and development practices in the University, the table shows that the majority (57%) of the respondents said that there is no better training and development practices in the University. On the other hand, only (26.7 %) of the respondents agree that there is a practice of providing employees with better training and development in the University. However, according to the response of the majority, we can conclude that there is no better training and development practice in the University.

Training helps employees to improve their skills, knowledge, and abilities. In the above table, when asked the respondents if they get enough training needed for their present position, above 57.7% of the respondents said that they do not get enough training that is related with their current positions. On the contrary, 25.1% of the respondents agreed that they get enough training that is related with their current position. In general, if employees are not provided with enough training, they lose their work confidences and lead them to leave their current job.

Regarding employees' perception on their personal or professional growth on their existing job, the majority 86(63.7%) of respondents strongly believe that there is no personal or professional growth from the existing job. On the contrary side 30(25.1%) of respondents strongly believe that there is personal and professional growth from the existing job. Based on the result we conclude that, most of employees of the University are not happy with personal and professional growth of existing jobs.

Regarding better chance for promotion and career developments on their existing jobs in the University, the majority 85(62.9%) of the respondents believe that there is no better chance for promotion and career advancement from the existing job and, While 24(17.8%) of the respondents said neutral and,18(13.3%) of the respondents believed that there is better chances of promotion and career developments their existing job in the university. Only 8(5.9%) of respondents responded, strongly agree that there is better chances for promotion and career development from their existing job. To solve this problems the University to apply dynamic career development opportunity i.e. either vertical or horizontal because it is not always possible or feasible to move employees to higher position, but it can rotate job and get new challenging. This helps to minimize employee turnover.

Generally based on the respondent responses; the University to apply every employee will have fair opportunity in getting promotion, career development, training, and other benefits, according to their skill, knowledge and experiences without any discrimination.

#### 4.4.8 Employees–Supervisor /Managers Relationship

**Table 4.11: Respondents’s perception on Employees –Managers/Supervisor Relationship**

Item	distribution	very poor	poor	Average	Good	very good
The effort of top management to retain employees.	Frequency	65	32	23	9	6
	Valid percent	48.1	23.7	23.7	6.7	4.4
The support or supervision you obtain from your immediate supervisor.	Frequency	28	30	31	24	22
	Valid percent	20.7	22.2	23.0	17.8	16.3
The level of your supervisors understands about the nature of your work.	Frequency	29	31	33	28	14
	Valid percent	21.5	23.0	24.4	20.7	10.4
Your participation in decision making as staff member.	Frequency	38	40	28	21	8
	Valid	28.1	29.6	20.7	15.6	5.9
The way supervisors give constrictive feedback to their employees.	Frequency	34	34	31	24	12
	Valid percent	25.2	25.2	23.0	17.8	8.9
The way dispute or grievances handling mechanism	Frequency	45	36	33	15	6
	Valid percent	33.3	26.7	24.4	11.1	4.4

Source: own survey, 2016

As shown in the above table, 65(48.1%) of the respondents confirmed that the effort of top level management in retaining employees is very poor and also 32(23.7%) of the respondents said poor. Only 11.1% of the respondents argue that top managements have good efforts to stay employees in the University. The result show that, more than 71.8% of respondents are not happy the effort of top management to retain employees. Based on the data we suggest that top management have no concern /effort for employees retain. Therefore managers have an important impact on employee turnover.

Supervisor support is crucial for employees to complete their job, to encourage positive relation and increase self-confidences of the employees. In order to see the immediate supervisor to support his subordinates, out of the total of respondents 28(20.7%) of respondents said very poor that their immediate supervisor support for them, and 30(22.2%) of respondents said poor. While 31(23 %) of

the respondents are Average. The remaining 24(17.8%) and 22(16.3%) of the respondent responded good and very good respectively. This data indicate immediate supervisor support and supervision for employees are very low. If employees may be dissatisfied by immediate managers, the employees directly affect stay of the University. Therefore the managers/immediate supervisor support, feedback, and regular reviews and recognition of performances employees, it helps they stay in the University.

As illustrated in table 4.11, regarding, the level of supervisors understanding to the nature of the work, the result shows that the majority (46.1%) of the respondents responded that their supervisor's level of understanding to the nature of work is low, whereas only (31.1%) of respondents said that their supervisors' level of understanding to the nature of work is high.

The research also investigated employees' perceptions on their involvement indecision making process. With regard to this issues, the majority 66(48.8%) of respondents said that their participation in organizational decision making is limited, while 28(20.7%) of the respondents are neutral. The remaining 29(21.5%) of the respondents responded that there is high staff involvement in organizational decision making. Therefore, from the above data, we can say that the organization is very reluctant in involving its employees in decision making process. If employees participate in the decision making process, it creates senses of ownership, increases job satisfaction, and minimizes employee turnover and also increase productivity and quality of services, as well as it helps to more committed and engaged when they can contribute their ideas and suggestions. Therefore if employees member are not involved in any change and decision making, they will against the change and the decision and also may be one of the causes of employee turnover.

In addition the respondents were asked the way of supervisor or manager gives constructive feedback to employees. The result show that the majority of the 68(50.4%) of respondents said that they have not got constructive feedback from their supervisors and managers, and 31(23%) of the respondents said that neutral. The remaining, 36(26.7%) of the respondents believe that their supervisor and manager give constructive feedback for them.

Grievances are obvious in any organization, it happens in a different reasons like organizational policies, work conditions and interpersonal factors. It is influences on organization employees, managements and work. To assess whether there are established dispute or grievances handling



mechanism the respondents were asked the level of their agreement and disagreement on the grievances handling mechanisms of the University. The result shows that more than 86.7% of the respondents respond that there is poor grievance handling mechanisms in the university. Only 23.3% of the respondents have positive perception on the grievance handling mechanisms in the University. From these results we can concluded that the University disputes /grievances handling mechanisms is poor. If the employees no way to solve their problems, this is enforced to leave their job. Therefore the University must develop a good grievance handling systems because of it helps grow the trust of employees, addressing the employee’s problems, improve work condition, developing committed work forces and improving the productivity.

#### 4.4.9 Employees Performance Appraisal Process

**Table 4.12: Respondents respond about, employee’s performances appraisal process**

Item	Distribution	Strong disagree	Disagree	Neutral	Agree	Strong agree	Total
Employee performance evaluation is fair and appropriate.	Frequency	28	34	27	41	5	135
	Valid percent	20.7	25.2	20.0	30.4	3.7	100
The Evaluation & performance management process provides meaning full feedback for your success.	Frequency	30	42	29	29	5	135
	Valid percent	22.2	31.1	21.5	21.5	3.7	100
You are happy with the present performances appraisal policy of the University.	Frequency	34	35	29	30	7	135
	Valid percent	25.2	25.9	21.5	22.2	5.2	100

Source: own survey, 2016

Performance appraisal help to the manager to understand their employees strength and weakness, salary increasing, promotion, and determining the training and development needs of the employees, table4.12, illustrates that the majority 62(45.9%) of the respondents respond there is no fair and appropriate employees performances evaluations in the University, While 27(20%) of the respondents said neutral and 41 (30.4%) of the respondents agree. Only 5(3.7%) of the respondents said that strongly agree. The result indicates that the performance evaluation mechanisms of the University are not fairly treating all employees on equal basis.

Performance feedback is an information exchanges and conflict resolution process between the employees and supervisor. In the above table, indicate that the level of agreement or disagreement of respondents of evaluation process provide meaningful feedback for employees' success. Out of the total of the respondents 72(53.3%) of respondents respond that there is no provide meaningful feedback for their success, while 29(21.5%) of the respondents said neutral and 29(21.5%) of the respondent said agree. Only 5(3.7%) of the respondents said strongly agree. based on the data more than half of the respondents said that the supervisor there is no given meaningful feedback for employees in the process of performance evaluation. When employees are encouraged to express their feeling, it gives senses of empowerment where they feel comfortable. Therefore, it is clear that a good performance appraisal system can be the main tools which contribute to employees' motivation, development, and confidence which lead to employees to be self-empowered Performance appraisal feedbacks also help to involve, inform, motivate and enhance the communication between employees and manager.

As indicated in table 4.12, when the respondents were asked their feeling regarding the present performances appraisal policy in the university, the result shows that 34(25.2%) of respondents responded strongly disagree. While 35(25.9%) of the respondents said disagree. The data indicates half of the respondents respond they have no good feeling current performances appraisal policy in the university. Only 27.4% of the respondents' response they have good feeling the current performance appraisal policy of the University.

#### 4.4.10 Intention to Leave

**Table 4.13: Intention to leave with similar job and job opportunity**

Item	Distribution	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
You will leave, if you find similar job and salary at another organization.	Frequency	33	34	16	13	39	135
	Valid Percent	24.4	25.2	11.9	9.6	28.9	100
You stayed at current job because you do not have other job opportunity.	Frequency	36	19	19	27	34	135
	Valid percent	26.7	14.1	14.1	20.0	25.2	100.0

Source: own survey, 2016

Regarding employees intention to leave theirs job with in similar job and salary, the result show that out of the total of respondents 49.6% of respondents respond they have no agree to leave their job

with similar position and salary. On the other hand 38.5% of the respondents, they have agreed to leave their job with similar position and salary.

Regarding employees stayed at the current job, because of they have no other job opportunity. As a result, indicates, that, out of the total of respondents 55(40.8%) of respondents respond that there is no need leave their job they will get job opportunity in similar salary and position. On the contrary sides the majority 61(45.2%) of the respondents respond that there is high interest to quit their job; they will get any job opportunity in a similar salary and positions. So based on the data we conclude that the respondents have highly turnover intention and they stayed in the University is due to lack of other job alternatives .this implies , if employees get other future job opportunity ,they will leave any time from the University.

**Table 4.14: Respondents respond about employees intend to leave one year from now?**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>
no	39	28.9	28.9
yes	96	71.1	71.1
Total	135	100.0	100.0

Source: own survey, 2016

There are several factors causing the turnover intention of employees such as job satisfaction, job role and HRM practices. High turnover intention rate of employees in Universities will loses of performances and damage the reputation of Universities. In regarding with employees intention to leave one year from now, the result reflects that, out of the total of respondents 39(28.9%) of respondents respond that no intended to leave their job in one year from now , and 96(71.1%) of respondents have intention to leave their job. The data shows nearly three- fourth of respondents are actively looking for alternatives and only one- fourth respondents have no intended to leave in this years in different reasons like they have got free scholarship, better positions. From this information we can concluded that almost all of the employees of the organization have no willingness to stay in the university. Therefore, the University will give pay attention for employees to reduce their intention quit.

#### 4.4.1 Intension to Leave by Respondents' Background Information by cross tab

Respondents background information is one of the predictor variables of employees turnover intention, So to what the extent does the relationship among age, education, gender, length of services, with turnover intention in one year from now.

**Table4.15: Intension to leave by Age**

Item		Age of the respondents					Total
		<25	26-35	36-45	46-55	>55	
Intend to leave one year from now?	No	3	22	7	0	7	39
	Yes	10	66	14	5	1	96
Total		13	88	21	5	8	135

Source: own survey, 2016

With regard to the intention to leave by age of respondents, the result showed that the majority 75.2% of the respondents respond below 35 years, they intend to leave in one year from now. On the other hand 24.8% of the respondents above 35 years old respond no intended to leave in one year from now. This data supported by table 4.4 which indicate that 75% of the respondents are young. From this data we assume the majority of the respondents are young, and also they have high intention to leave. These high intentions of employees' turnover have high impact on University and lose young and energetic employees. So to minimize intention to leave, the University must be to review and develop employee retention mechanism.

**Table 4.16: Intension to leave by marital status**

Item		marital status		Total
		Single	married	
Intend to leave one year from now?	no	19	20	39
	yes	51	45	96
Total		70	65	135

Source: own survey, 2016

With regard to the intention to leave by marital status of respondents, the result show that, with in the single group 51(72.8 %) of the respondents respond that intended to leave one year from now and on

the other hand also within a married group 45(64.2%) of respondents responded intended to leave one year from now. In general both respondents have high intentions to leave in one year from now. But we concluded that single employees simply quit from their job than married employees.

**Table 4.17: Intension to leave by educational level**

Item		level of education				Total
		High school completed	Diploma	degree	master's degree	
Intend to leave one year from now?	no	0	7	16	16	39
	yes	6	30	41	19	96
Total		6	37	57	35	135

Source: own survey, 2016

The above table shows that the relationship between levels of education and intention to leave in one year. The results to summarize that 100% of respondents are high school completed. 81% diploma, 71% degree and 54% master. According to HRM 2015 actual employee turnover report related to educational level show that out of 158 exit employees 30(18.9%) were certificate, 72(45.5%) employees were diploma, 42(26.58%) employees were degree and 9(5.6%) masters lastly 5( 3.2%) PhD. This data shows that relatively level of education increasing, turnover intention decreasing. From this data we suggest that if employees may have educated and skilled, they have access to get better salary, benefits and position, promotion and career developments within the University. Skilled and educated employees turnover are key problems for the university. Because the university incur high replacement cost, no simply replaced like unskilled and untrained employees as well as loss competitive advantageous. So the university may have more attention to high skilled, educated and experiences employees.

**Table 4.18: Intension to leave by salary**

Item		Salary earned							Total
		below 1000 br.	1001-2000 br.	2001-3000 br.	3001-4000 br.	4001-5000br	5001-6000 br.	above 6000 br.	
Intention to leave one year from now?	no	2	3	11	2	5	9	7	39
	yes	8	22	26	6	17	13	4	96

Total	10	25	37	8	22	22	11	135
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Source: own survey, 2016

Regarding intention to leave by salary, show that the respondents' monthly salary earned below 3000 birr at 79 percent, while between 3001-5000 birr at 76 percent, between 5001-6000 birr at 59 percent and more than 6000 birr monthly salary earned at 36.4 percent with intended to leave one year from now. According to HRM 2015 actual employees' turnover report related to salary show that out of 158 exit employees' 92 employees monthly salary below 2000 birr, 35 employees monthly salary between 2000- 3000 birr, 14 employees monthly salary between 3001-4000 birr and 12 employees between 4001-5000 birr , lastly Only 5 employees more than 5000 birr. This data indicates that if the salary increases, turnover intention is also decreasing. Therefore salary and intention have negative relationship. Based on this we concluded that salary is one of the major factors of employees turnover.

**Table 4.19: Intention to leave by working Experiences**

Items		Work Experience					Total
		<1yrs	1-2 yrs.	3-5 yrs.	6-10 yrs.	> 10 yrs.	
Intend to leave one year from now?	no	6	6	10	10	7	39
	yes	5	15	28	30	18	96
Total		11	21	38	40	25	135

Source: own survey, 2016

Regarding the intention to leave by working experiences in the university respondents, the results shows that 45 percent of respondents have less than one year working experiences, whereas 71 percent of the respondents their experience 1- 2 years and they respond intend to leave one year from now, 73 percent of respondents have 3-5 working experiences and 75 percent of the respondents have 6-10 years working experiences the intended to leave one year from now within each group. According to HRM 2014 actual employees turnover report related to working experiences out of 267 exit employees 81 employees working experiences below one year, 69 employees have 1-3 years, 61 employees have 4-6 years and 33 employees have 7-9 years, only 23 employees have more than 10 years working experiences and also 2015 report more or less similar results like 2014 report. The

results shows that employees are working experiences are increasing, turnover intention also creasing.

To support this data, the background respondents table 4.4 shows that more than 58.8% of the respondent served the University less than five years and also they have no more experienced. Table 4.19 shows that length of services is high contributing to turnover decision. From this data we can suggest that most of the employees had stayed in the organization until they gain some job experienced and they leave their jobs if they have experiences. This shows turnover is high in the University and it is affect the University performance. Therefore experienced workers are necessary for the success of an organization.

#### **4.4.12 Causes of Employee Turnover**

Employees were asked to rank their reasons to leave the University, if they are supposed to quit their job.

**Table 1: Ranking of the Reason of Turnover**

Item	Distribution	Level								Total
		Rank 1	rank 2	rank 3	rank 4	rank 5	rank 6	rank 7	rank 8	
salary scale	Freq.	93	16	8	7	5	4	2	-	135
	percent	68.9	11.9	5.9	5.2	3.7	3.0	1.5	-	100.0
compensation or incentives package	Freq.	4	44	28	17	15	8	15	4	135
	percent	69	11.9	5.9	5.2	3.7	3.0	1.5	-	100
Seek of better job opportunity	Freq.	17	27	29	17	14	17	5	10	135
	percent	12.6	20.0	21	12.6	10.4	12.6	3.7	7.4	100
lack of Growth and development	Freq.	3	14	35	36	14	11	14	8	135
	percent	2.2	10.4	25.9	26.7	10.4	8.1	10.4	5.9	100.0
poor top management practices	Freq.	8	15	8	23	35	25	13	8	135
	Percent	2.2	10.4	25.9	26.7	10.4	8.1	10.4	5.9	100
poor HRM practices	Freq.	4	12	11	9	24	43	26	6	135
	percent	3.0	8.9	8.1	6.7	17.8	31.9	19.3	4.4	100.0
Working environment	Freq.	6	7	11	14	19	22	42	14	135
	percent	3.0	8.9	8.1	6.7	17.8	31.9	19.3	4.4	100
Lack of good communication with coworkers	Freq.	1	-	5	12	9	6	18	84	135
	percent	3.0	8.9	8.1	6.7	17.8	31.9	19.3	4.4	100

Source: own survey, 2016

Employees leave their organization in different reason. But the reason of the degree differ each individuals therefore the respondents give ranking turnover reasons based on their feeling. The majority of 93(68.9%) respondents said that salary is the first reason to leave their job. The second reasons employees are not happy with the University compensation and incentive package, the result show that 44(32.6%) of respondents are not happy compensation and incentive package. compensation and incentives package are to help attract, retain, and motivate employees in the University. The third reason is seek better job opportunity, it is one of the most common reasons to leave their organization, 29(21%) of the respondents responses to leave their job with related to seek better job opportunity. Moreover the four reasons are lack of growth and development. Moreover poor top management, HRM practices, working environments and lack of good communication with



co-workers are the cause of employees' turnover respectively. Based on the result we concluded that salary, compensation and incentives package and seek better opportunity are the crucial problems of the university employees. Therefore employee leaves their University in different reasons. The most common reasons employees seek better opportunity and better pay other organizations.

On the open-ended questions it was asked what the causes of employees are to leaves their current job? And most the respondents stated that they are not satisfied with existing situation of the University because of poor pay system, lack of career advancement, mismanagements, unfair or unequal benefit distribution among the workers and other reasons. In addition they also stated that the pay structure is not fit with current living situation or living standard and it has low salary compared as other similar institution. As the result instructors and administrative workers are dissatisfied and low perform and low morale.

Moreover the respondents stated that managers reward employees without any valid performance evaluation system procedures. Thus competent and hardworking employees are ignoring by the University, because of this, well experienced and competent and skilled employees left the university and joined others institution with better benefits and high salary.

#### 4.4.13 Employees' Retention Mechanisms

**Table 4.21: Good Retention Mechanism in the University**

Item		Frequency	Percent
There is better retention mechanism in the university?	Yes	37	27.4
	No	98	72.6
	Total	135	100.0

Source: own survey, 2016

Employee turnover intention relates to internal and external factors such as the employees thought relating to job alternatives economic condition, as well as working environments, Table 4.21, illustrates the retention mechanisms of employees. The total of 34(27.4%) of the respondents respond that the university have better retention mechanism. On the other hand 98(72.6%) of the respondents respond that the University have no better retention mechanisms, so based on the responses we suggest that no better retention mechanisms in the University. This data indicates the employee turnover intention in the University is high, so it requires different mechanisms to reduces it and its

influences in the University because employees retention lead to smooth flow of organizational activity and increasing organizational performances and as well as minimizing different costs. Based on the open-ended questions to minimizing employee's turnover the respondents stated that improving salary scale, working environment, fair promotion and career development, give scholarship and improve HRM practices.

From the question that was distributed with open-ended question, retention mechanisms, the respondents suggest that to prevent the employees from leaving the employ of the University, to improve organizational commitment, the University should pay market related salary and salary and benefit based on employees knowledge and skills, create conducive working environments, safety, health care as well as other basic benefits competent for other organization. Generally most of the respondents give their suggestions that career development; Competitive compensation and salary are an important in retaining employees. In human resources management interview in retention mechanisms, to minimize employees' turnover currently works give scholarship for more focuses master programs as compared diploma and degree programs .based on the interviews currently human resources are not works better recruitments, promotion and salary increment based on performances. Therefore retention could be improved by many factors like better recruitment , effort ,selecting right man for the right job ,continuous review of job specification and job description , compensation practices, leadership, and supervision, career planning and development, working condition, team building, organization communication and commitment, employee participation, turnover policies. The findings of the study demonstrate that St. Mary's retention mechanism such as salaries and benefits, recruitment policy, training and development opportunities, involvements and participation in decision making are not effective.

#### 4.5. Summary of all Factors for Comparison

**Table 4.22: Summarized Statistics of all Factors**

Items	N	Mean	SD	Ranking
working environment	135	3.6630	.88484	8
Job condition	135	3.2852	.91737	7
Perception of salary and benefits	135	1.7556	.75899	1
workload	135	2.716	.91832	5
Promotion ,training & Development	135	2.3704	.90949	2

Employees-supervisor r/ship	135	2.4765	.9729	3
Employees performance appraisal	135	2.6025	1.08089	4
Intention to leave with similar job	135	2.9815	1.37326	6

**Sources: own survey, 2016**

From the above summarizing table, it can be clearly understood that in St. Mary’s university the main factors of employees turnover. Employees quit their organization in different reason. But the reason of the degree different from individuals therefore the respondents give ranking turnover reasons based on their feeling. Salary is an important for employees to decide to leave their job. According to the mean value of 1.75 and SD= .758, the perception of salary and benefits is the first reason for employees to leave their job. In this study it is a crucial factor for leaving employees in the university Fair employees’ promotion and career development are an important for to minimizing employees’ turnover and as well as helps to increasing organizational performances. Based on the weighted mean value 2.37 and SD=.909, the result shows that promotion, training and career development are the second reason for employees to leave their job. Moreover according to the mean value of 2.47 and SD=.97 this result shows that employees-supervisor relationship are the third factors to quit the job. In addition employees’ performances appraisal and workload are ranked 4<sup>th</sup> and 5<sup>th</sup> according to the mean value 2.6 and 2.7 with standard deviation of 1.08 and 0.918 respectively. On the other hand intention to leave with similar job, job condition and working environment are shows low influences to leave employees in this study respectively. Based on the result we concluded that salary and benefits, promotion, training and career development and employees-supervisor relationship are the main factors to leave the job in the university.

The standard deviation was also used to analyze the responses .the higher the standard deviation, the higher the level of distribution (dispersion) among the respondents .the standard deviation for the most factors listed below one meaning there was general agreement by the respondents. A standard deviation of more than one would mean there was no common agreement among the respondents. According to the result the respondents have common consensus the cause of employees’ turnover.

#### **4.6. The consequence of employees’ turnover**

The consequences of high level of employees turnovers are affect both financial and non-financial aspect of the organization. When the consequences of high employees turnover have been a significant direct and indirect costs. The last five years of the university employees’ turnover was

high. This high turnover has negative administrative, financial and quality effects; in addition negatively affect the social set up of the university Therefore the university has highly exposed to different direct or indirect cost. Some department heads, units, human resources department and employees also assure that the university is highly affected in different ways by the frequent employee turnover.

The Interview followed a structured format where employees were asked questions about turnover in their University and consequences associated with it, and retention strategies which provided effective for their University. Eight employees participate in the interviews. Two participates were human resources managers for the University. The other two participants were finance heads. The other four participants were department and unit head. The Interviewee responds that turnover is a major problem of the University and challenging to replacement for talented employees.

High level of employees' turnover comes at a cost and a result considering inefficiencies. Interview that was conducted with interviewees' questions was asked what majors cost does the University pays for employees' process and other related factors. It was confirmed that all interviewees has been paying additional cost for related to turnover. The University incurs high direct and indirect costs. Direct cost: such as recruitment, separation and excess payment for part-time employees. Where recruitment is costly or where it takes several weeks to fill the vacancy. Thus turnover is likely to be problematic from a management point of view. According to human resource management report shows that in 2015 only newspaper vacancy advertising, the university incur more than 43,000birr. Moreover high training cost including the cost of orientation which is the cost of trainee's and trainers cost, training material and other equipment costs. They also explained that when employees leave the University the leaver employees' works that distributed among the existing employees. This indicates that additional work load on existing employees. This influences the quality of teaching learning process and to initiate the employees to leave the organization. Teachers work load assign is 18credit hours per week, but the department head interview responses their work load more than 25credit hours per week, they teach in regular and extension program and also teach different course to other colleges and university. Currently these are more influence quality of teaching and learning process, service delivery and dissatisfied customers.

Moreover the university also incur direct cost such as morale costs, the moral of existing employees is declining and inherently dissatisfied, negative feeling that an individual holds towards his or her

job, loss confidences and communication between employees, managers and supervisor, turnover has an impact on the peer group, when faced with the loss of a co-worker, both psychological and workload factors often impair the performance of remaining staff, loss skilled, talented workers ,increasing operation errors and loss in competition on market. Especially my observation and experiences service delivery is major problems in distance program head offices for a long period of time because distance learner stay more than one week to solve their problems. This influence to loss customers and sustainability of the university specially distance division program in the university. Generally when high voluntary employees leave, the university can lose performance. With turnover, employees become frustrated with extra work they take on fill gaps left by the departing employees. If turnover continues, employees become demoralized and loss confidences. So ongoing turnover can be lead to even more turnover in costly cycle. Costs incurred as the new employees learns his or her job, including reducing quality, errors, and waste, lost client and lost institutional knowledge.

## **CHAPTER FIVE**

### **Summary of Finding, Conclusion and Recommendation**

#### **5.1 Summary of Finding**

This study focuses the assessment of cause of employees' turnover and its consequences, and retention mechanisms. The demographic section, present information, about the employee's Gender, age, marital status, level of education. Total respondent were 135 out of that 86 male and female respondents were 49 in numbers. While the age of majority 75% of the respondents are below 35 years this means the University employees are young. In marital status of the respondents 51.1% are single the rest are married. Moreover in educational levels of employees are degree holders. Based on in services years 58.8% of respondents have less than 5 years' work experiences. Based on the respondents response the majority of employees have high intention to leave. The last 5 years actual turnover was high, the HRM reports shows that 227 employees resigned averagely each year the report also shows resigned employees were more female, young, and they are professional and low salary employees.

Most of the respondents respond, 90% employees have good co-worker relationship each other however related to the university working environment and culture, 42.5 % of the employees are not happy by University working environment and culture, but almost similar numbers of employees (42.2%) are happy with the University environment and culture.

Based on job condition, half of the employees argue that they are known their job duties and responsibilities. But 51.9% of employees do not work in freely and they work routines activities.

Related to position and job satisfaction, 65% of the respondents said that their job position related to educational background, on the other hand related to other factors 60.7% of respondents are not satisfied their current job.

In salary and benefit issues of the University, averagely 82.6% of the respondents argue that the University salary scale, incentive and benefit package, payment based on experience and performance, and amount of annual increment of salary are not attractive. So salary and benefits are not motivating employees to stay at University.

Based on the respondents the majorities 68.2% of the respondents argue that work load is not equally distributed among all employees of the unfair work assign one of the factors employees to quit their job and 49.6 % of respondents argue that high work load in their department / unit /offices, while 48.9% of respondents responds that overload to influence quite their job. On the other hand 69.7% of the respondents have strong sense of belongingness towards the University and, 48.9% of respondents have willingness to accept additional tasks of the University. However 48.8% of respondents are not committed to attract /recommended competent workers.

According to the respondents, 68.9% of employees said that unfair promotion and career developments based on performances 57% of respondents respond, no better training and development practices at the University. While 57.7% of the respondents responded they have not got enough training needed for present position. Averagely 63% of respondents respond that they are not happy their professional growth and no better chances for promotion and career advancements.

Based on the employees and supervisor relationship, 71.8%of the respondents responded that top managements have no effort to retain employees. On the other hand 57.2% of the respondents said that supervisor and management body with employees have good relationship. While 57.7% of the respondents respond that they are not participate decision making. Moreover 60% of respondents respond, the University grievances handling mechanisms is poor.

Employees turnover intention is high,71.1% of the respondents want to leave in one year from now, this intention strength by half of the respondents want to leave they will get similar job with in similar salary. In addition, 45.2% of employees stay in the University, still now they have no got other job opportunity. Employees leave in different reason, the majority of the respondents majors reason are salary, incentive package and seek better job opportunity and also 74% of the respondents argue that the University have not retention mechanisms.

## **5.2 Conclusion**

The main objective of this study is to assess the cause and its consequences of employees' turnover. Overall, the result of this study provides evidences in support of the theory that turnover affect the University performance. The research was carried out to investigate the cause of employee's turnover and its consequences and the retention mechanisms that are available to reduce employee's turnover at the University.

Based on the finding of the study, the following conclusion was made. The findings show that the performance of the University is affected by high employees' turnover. Employees leave in voluntarily different reason, such as, promoting and career advancements are not consider employees performance and experiences, lack of growth opportunity and career development, no conducive working environment, poor HRM and management practices, seek of better opportunity, no attractive salary package and other benefit, job dissatisfaction.

Most of the respondents disagree with the relation between management and employees in the University and majority of respondents not agree about the effort of top management to retain, supervisor support, supervision and understanding nature of work are low. Moreover management do not allowed employees to participate decision making process as staff members and also supervisor are not give constrictive feedback his subordinates. According to the respondent the university dispute /grievances handling mechanisms are poor. Generally based on the respondents supervisor – employee relationship are poor.

In addition demographic characteristics of the employees such as age, level of education marital statuses and services year among those factors. Generally, the results from this study reveal that employees leave the University as a result of poor management and HRM practices and unfair employee treatments in the University. High employee's turnover has negative consequences of administrative and academic effects on the University. Therefore the University may face challenges due to the decreased productivity; quality and lack of the skilled employees remaining employees have low morale, damage University images. Also leads to problem in team work and can cause problems in managing the work. Loss of the customer's satisfaction and it also leads to less work progress finally leads to increased University. In addition the University has also incurred direct financial costs for advertises and recruitment process. The HRM report shows that in 2015 more than 43,000 birr, only for vacancy advertising purpose on reporters' news. Generally the finding show that low salary package and compensation system are the major factors for employees to leave their job



### 5.3 Recommendation

Based on the finding and conclusion of the study the following recommendation are suggested to reduce turnover and increase retention of employees in St. Mary University .

- Improving working environment and conditions considered as one of the better mechanisms to increasing employees' stability. There for the University should make proper or conducive working environment and working culture within the University. The working environment and culture should be conducive for employees, they have motivated to perform better and it helps to employees to stay the University. In addition to fulfill employees transport facilities, cafeteria services and office layout.
- The University should participate employees in the decision making process, it creates senses of ownership, decrease job dissatisfaction. If employees take part in the decision making process, it creates senses of ownership, increasing job satisfaction, and minimizes employee turnover and also increase productivity and quality of services, as well as it helps to move committed and engaged when they can contribute their ideas and suggestions.
- The University should pay a market related salary to employees in order to prevent them from moving to other organizations and motivate employees to stay in the University and convince employees to get in the future better benefits than the current benefit.
- To solve problems associated with routines activities the University need to develop Job enrichment practices because of it helps to encourages employees to develop their different skills, knowledge, decreasing boring works, and also minimizing employee turnover.
- The University needs to create opportunities for promotion career advancement and training and apply dynamic career development opportunity (either vertical or horizontal) may help employees to become more competent and to satisfy their work as well as increasing the probability of employees to stay the University.
- The University must be treating all employees fairly and give equal opportunity in getting promotion, career development, training, and other benefits, according to their skill, knowledge and experiences without any discrimination, because of fair treatment motivates

all employees to do and develop their tasks with full of interest and minimizing employees turnover.

- The University should make clearly stated job duties and responsibility each jobs and create awareness employees and also try to equal assign workload for each employee.
- To minimize employees' turnover, the University top management should give more emphasizes the University employees.
- Supervisor of the University should work closely with subordinate and arrange flexible working condition to retain employees. The University should provide enough induction and orientation to new employees in order to reduce to much wastage of resources and also to reduce employees' turnover.
- Generally to minimizing employees turnover and its impact, the University should be proactive and be strongly work on retention mechanisms like encourage employees to participate in decision making create conducive working environments giving promotion and career advancement, improve salary, good training and development mechanisms reviewed their administrative policies.

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**Appendixes - 1**  
**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**Masters of Business Administration (MBA) programs**

**Questionnaire**

**Dear respondents, I am conducting research on the topic “Assessment of causes and consequences of employee turnover: In case of St. Mary’s university.**

Hence the purpose of the questionnaire is to gather the necessary data that will be used the study. Though the study is conducted for academic purpose, the outcome of the study will be used in order to suggest possible solution for problems identified. So that, the university management would make use of it for appropriate decisions. Thus, I would like to seek your assistances to give me the appropriate responses. It will take approximately 10 to 15 minutes of your time to complete this questionnaire. All the information that is collected through this questionnaire will be kept confidential and used only for academic purposes. I appreciate your cooperation and thank you in advance.

**Instruction:-**

1. There are different sections in this questionnaire. Please answer all questions in ALL sections.
2. Do not write your name anywhere in this questionnaire

**Part-I: Demographic Information of Respondents**

Please provide the following information about yourself by placing a “√” on one of the blank space to assist us in analyzing the responses

1. **Gender:** Female  Male
2. **Age:** Below 25  25 – 35  35 – 45  45 - 55  Above 55
3. **Marital status:** Single  Married  Divorced  Widowed
4. **Level of education:** High school completed  TVET  Diploma   
Degree  Master’s  PhD

**5. Salary earned:**

- Below 1000 ETB     1001 – 2000 ETB     2001-3000 ETB  
 3001 – 4000 ETB     between 4001 -5000 ETB     between 5001- 6000 ETB  
 6001- 7000 ETB     above 7000 ETB

**6. Working experiences in this University**

- Less than 1 year  1--2 years  3--5 years  6--10 years  above 10 years

7. Staff position: Administrative                       Academ

8. Work place /campus    Mexico                       CODL     SGS     testing center

**Part-II: Issues Related to Causes of Employee Turnover**

9. The following statements relates to working environment at your organization. Please indicate the extent to which you agree with each statement by putting a tick mark [√] in the appropriate column in the table below.

1 = Strongly disagree    2= Disagree            3= Neutral    4= Agree            5= Strongly agree

S. No	Items related to working environment	1	2	3	4	5
9.1	You are happy with the organizational culture and working environment of the university.					
9.2	You have good relationship with all your co-workers.					

10. Please put a tick [√] to indicate your level of agreement on the statements related to your job in the following table.

1 = strongly disagree    2= Disagree    3= Neutral    4= Agree            5= strongly agree

S. No	Items related to the job	1	2	3	4	5
10.1	The university clearly stated your duties and responsibilities.					
10.2	The university gives you autonomy to do your job without intervention.					
10.3	Your current job is well recognized and respected by the society.					
10.4	Your job is highly routine and monotonous.					

11. Your position match with your educational background    yes     No

12. Are you satisfied with your current job?            Yes             No

13. Please put a tick [✓] to indicate your level of agreement on the statements related to your salary and benefits you get from your organization.

1= Strong disagree    2= Disagree    3=Neutral    4= Agree    5= Strongly agree

S/N	Items related to salary & benefits	1	2	3	4	5
13.1	You are happy with the existing salary scale of the university.					
13.2	The salary and benefits motivate you to stay in the university.					
13.3	Your payment is based on your work experience and performance.					
13.4	The incentive and benefits packages of the university are equitable.					
13.5	You are happy with the amount of annual increment of your salary.					

14. The following statements are related to workload at your organization. Please indicate your level of agreement/disagreement by ticking [✓] in the box for your exact feeling based on the scale below.

1= Strong disagree    2= Disagree    3=Neutral    4= Agree    5= Strongly agree

S. No	Items related to work load	1	2	3	4	5
14.1	The work load is divided equally among all the employees of the university.					
14.2	The workloads of your department/unit are too high.					
14.3	Over-load of your job influences you to leave the university.					

15. The following statements are related to organizational commitment at your organization. Please indicate your level of agreement/disagreement by ticking [✓] in the box for your exact

feeling based on the scale Below.

1= Strong disagree    2= Disagree    3=Neutral    4= Agree    5= strongly agree

S.No	Level of agreement Related to organizational commitment	1	2	3	4	5
15.1	You have strong sense of belongingness toward this university.					
15.2	You are committed to attract/recommend competent potential workers to the university.					
15.3	You are willingly to accept additional tasks that the University gives you.					

16. The following statements are related to promotional opportunity, career development and training development at your organization. Please indicate your level of agreement/disagreement by ticking [√] in the box for your exact feeling based on the scale below.

1= Strong disagree    2= Disagree    3=Neutral    4= Agree    5= Strongly agree

S. o	Items related to Promotion , training and career development	1	2	3	4	5
16.1	There is clear and fair promotion and career development mechanism based on performance and experiences.					
16.2	There are better training and development practices at your university.					
16.3	You have got enough training needed for your present position.					
16.4	You are happy with your personal and professional growth of your existing job.					
16.5	There is better chance for Promotion and Career advancement of your job.					

17. The following statements are related to employee - manager/supervisor relationship at your organization. Please indicate your exact feeling by ticking [√] in the box based on the scale

low. 1=very poor 2= poor 3= Average 4= Good 5= very good

S.No	Items related to employees - manager/supervisor relationship	1	2	3	4	5
17.1	The effort of top management to retain employees					
17.2	The support or supervision you obtain from your immediate boss/supervisor.					
17.3	The level of your supervisor's understands about the nature of your work.					
17.4	Your participation in decision making as staff member.					
17.5	The way manager/supervisor gives constructive feedback to their employees.					
17.6	The way of dispute/grievances handling mechanism.					

18. The following statements are related to performance appraisal at your organization. Please indicate your level of agreement/disagreement by ticking [√] in the box for your exact feeling based on the scale below.

1= Strong disagree 2= Disagree 3=Neutral 4= Agree 5= Strongly agree

S/N	Related to performance Appraisal Process	1	2	3	4	5
18.1	Employee performance evaluation is fair and appropriate					
18.2	The evaluation and performance management process provides meaningful feedback for your success.					
18.3	You are happy with the present performance appraisal policy of the university.					

19. The following statements are related to your intention of turnover. Please indicate your agreement /disagreement by ticking [√] in the box for your exact feeling based on the scale below.

1= Strong disagree    2= Disagree    3=Neutral    4= Agree    5= strongly agree

S/N	Turnover intention	1	2	3	4	5
9.1	You will leave the university, if you find a similar job with similar salary at another organization/university.					
19.2	You stayed at the current job because you don't have other job opportunity.					

20. Do you intend to leave this university one year from now?    Yes  No

If your answer is yes to question number 20, what is the reason for your intention to leave?

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21. The following seven statements show reasons for employees to quit their job. Please rank them according to their significance in forcing you to leave the university. You can rank them from 1-8.

S. No	Causes of quite from a job	Rank them in priority (1-8)
21.1	Salary scale	
21.2	Compensation/incentives package	
21.3	Seek of better job opportunity	
21.4	Lack of opportunity Growth and career development	
21.5	Poor top management Practices	
21.6	Poor HRM practices	
21.7	Working conditions/ environment	
21.8	Lack of good communication with coworkers	

**Part-III: General Questions**



22. In your own view, do you think turnover affects performance of your university?, In what way?

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-23. Do you think turnover have a negative effect/consequences of your university? , In what way?

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24. There is good retention mechanism in the organization?      Yes       No

If your answer is NO to question number 24, what retention mechanisms the university should introduced to proactively retain existing employees?

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**Appendixes - 2**  
**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**Masters of Business Administration (MBA) programs**

**Interview department head/unit head and HRM Department**

**Dear Participants**

First we would like to offer our thanks for your willingness to answer the interview questions. Interview will be made with the concerned managers ,department head/unit and HRM to assess whether the university is aware of about the existence of turnover ,rates , causes and costs of the employee turnover and retention mechanism followed( if any) to reduce the turnover rate.

**Guiding Interview Questions**

1. Is management aware about employee turnover of the organization? What is your view about the intensity of employee's turnover?
2. Do you feel that the employees' turnover in your organization is a serious problem?
3. Do you feel that there exists equal opportunity for promotion for all employees of the organization?
4. Do you think that there exists smooth relationship between management and employees?
5. What costs the organizations incur due to turnover?
6. What retention mechanisms the organization made to proactively retain existing employees?

Thank you!

## DECLARATIONS

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Solomon Markos (PHD). All sources of materials 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 institution for the purpose of earning any degree

\_\_\_\_\_

Name

**St. Mary's University, Addis Ababa**

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Signature

**January, 2017**

## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor

**St. Mary's University, Addis Ababa**

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Signature

**January, 2017**