

ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

AN ASSESSMENT OF FACTORS AFFECTING EMPLOYEES' TURNOVER
AND THEIR IMPLICATIONS TO ORGANIZATIONAL PERFORMANCE: THE
CASE OF AMREF HEALTH AFRICA ETHIOPIA

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MULUGONDER MIHRET

ID: SGS/0127/2008A

ADVISOR: SOLOMON MARKOS (PHD)

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Mulugonder Mihret

APPROVED BY BOARD OF EXAMINERS

_____	_____
Dean, Graduate Studies	Signature
_____	_____
Advisor	Signature
_____	_____
External Examiner	Signature
_____	_____
Internal Examiner	Signature

DECLARATION

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

Signature

June, 2017

ENDORSEMENT

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

Advisor

St. Mary's University, Addis Ababa

Signature

June, 2017

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Table of Content

List of Tables	ix
List of Figures	ix
Abbreviations	x
Abstract	xi
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the study	1
1.2 Statement of the problem	2
1.3 Basic research questions	3
1.4 Objectives of the study.....	4
1.4.1 General objective	4
1.4.2 Specific objectives	4
1.5 Significance of the study.....	4
1.6 Scope of the study	4
1.7 Limitation of the study.....	4
1.8 Organization of the study	5
CHAPTER TWO	6
LITRATURE REVIEW	6
2.1. Definition of Turnover and Types of turnover.....	6
2.1.1 Definition of Turnover	6
2.1.2 Types of Turnover.....	6
2.1.2.1 Voluntary and Involuntary turnover.....	6
2.1.2.2 Functional and Dysfunctional turnover.....	6
2.1.2.3 Intra-occupational and Inter-occupational turnover	6
2.2 Causes of Turnover	7
2.2.1 Job dissatisfaction	7
2.2.2 Characteristic of working environment.....	8
2.2.3 Manager- Employee Relationships	8
2.2.4 Training and Development.....	9
2.2.5 Payment and Incentives	10
2.3 Organizational performance.....	10

2.3.1. Effects of staff turnover on organizational performance	11
2.4. Strategies for staff retention	12
2.4.1 Establishment of strategic retention plan	12
2.4.2 Employee’s participation in decision making	13
2.4.3 Career planning, training and development	13
2.4.4 Work environment	13
2.4.5 Job security	14
2.5. Theoretical Frame work	14
2.5.1 Theory of motivation	14
2.5.2 Equity Theory	15
2.6 Conceptual Framework of Employee Turnover.....	16
CHAPTER THREE	17
RESEARCH DESIGN AND METHODOLOGY	17
3.1 Research design and approach	17
3.2 Data types and sources.....	17
3.3. Target population	17
3.4 Data collection Methods	17
3.5 Data analysis and presentation.....	18
3.6 Ethical Consideration.....	19
CHAPTER FOUR.....	20
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	20
4.1 Background of Respondents	20
4.2. Intention of Staff Turnover	23
4.3 Causes of Staff Turnover	24
4.3.1. Job Satisfaction	24
4.3.2 Payment and Incentive Factors	26
4.3.3 Training and Development factor	28
4.3.4. Staff – Manager/ Supervisor Relationship	30
4.4. Organizational performance.....	32
4.5 Employee Retention Strategy.....	35
4.6 Overview of staff susceptibility for staff turnover.....	38
CHAPTER FIVE	39

SUMMARY, CONCLUSION AND RECOMMENDATIONS	39
5.1. Summary	39
5.2 Conclusion	40
5.3 Recommendation	41
Reference	43
Appendix I	46

List of Tables

Table 4.1:Background of respondents.....	21
Table 4.2 Intention to Staff turnover.....	23
Table 4.3 Job satisfaction.....	24
Table 4.4 Payment and Incentive Factors.....	26
Table4.5 Training and Development factors.....	28
Table 4.6 Staff – Manager / Supervisors Relationship.....	30
Table 4.7 Organizational Performance.....	32
Table 4.8 Employee Retention Strategy.....	35
Table 4.9 Service years of left employees.....	38

List of Figures

Figure 1: Types of employee turnover	7
Figure 2: Conceptual Frame Work.....	16

Abbreviations

NGO	None Governmental Organization
AMREF	African Medical Research Foundation
SPSS	Statistical Package for the Social Sciences
INGO	International Non-Governmental Organization

Abstract

NGOs, like any business or government organizations, experience staff turnover which in turn affect their organizational performance. AMREF Ethiopia is one of the leading NGOs working in improving the health situation of the country. The general objective of the study is to investigate the impact of staff turnover on the organizational performance of AMREF health Africa Ethiopia and to forward possible recommendations. In order to conduct the study, explanatory design was followed. All professional staff members of AMREF found in the head office are included in the study. Questionnaires were administered for 43 staff members and a semi-structured interview was conducted with four senior staff members of the organization. Document found in the organization was reviewed. The data collected through questionnaires were analyzed and interpreted using frequencies, percentages, mean values and standard deviations, regression and correlations. Information collected through interviews was analyzed qualitatively. The study revealed that the major factors for staff turnover are related to payment and incentives, and training & development factors. The study has shown that on the major strategic intervention areas, the organizational performance of AMREF has been found very low. In relation to staff susceptibility for staff turnover, the research finding depicts that AMREF lost its very experienced staff members which has been affecting the organizational performance negatively. The other finding of the study is that AMREF doesn't have a specific retention strategy which can be implemented practically to address the problem of staff turnover.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Both profit and non-profit organizations strive in achieving their aspiring goals. Organizational performance is the major element that contributes for the success of a given business. Organizations are run by individuals who are considered as members of the management. Dixon (1993) pointed out that the task of management includes “organizing group of individuals so that they work together towards common goals or in other words deciding what has to be done and getting other people to do it.”

Organizational performance can be affected, either positively or negatively, by both internal and external factors. Since organization could not operate in vacuum or putting itself in island it has heavily influenced by the outside dynamics and it is expected to react accordingly. As Williams & Johnson (2004) outlined, the external factors that affect organizations are politics, economy, social, technological, legal and environment. There are also internal issue such as workforce which organizations should give due attention to ensure in enhancing performance. The existence of skillful workforce to produce the anticipated outcomes has always been top priority for human resource department of a given company. The performance of a given organization can be evaluated in terms of the workforce related outcomes or results. The number of qualified employees, the duration of these qualified staff members as well as their commitments in doing jobs have a paramount importance in taking the organization to move either in ascending or descending direction. In other words by assessing the customer/client satisfaction towards the provided services, employees work attitude and absenteeism are likely to determine the performance of the organization (Park and Shaw, 2013).

NGOs, like any business or government organizations, experience staff turnover, which in turn affect their organizational performance. AMREF Ethiopia is one of the leading NGOs working in improving the health situation of the country. One of the key issues in human resource development sector is employees’ turnover. The dysfunctional employee’s turnover has a negative impact on the organizational performance because the organization loses good performing employees (Lee &

Jimenez, 2011). Staff turnover affects the organization in terms of finance. For instance, the process of recruiting and employing a new staff as well as providing training, incurs organizations a huge cost. More importantly the leaving employee might hamper social and communication structure of the organization. Having of better social relationship among the staff members can induce the existence of sound interpersonal relationships which in turn have positive impact in creating strong team spirit thereby improving productivity. The major reasons for employees' turnover are job dissatisfaction due to the absence of intrinsic and extrinsic rewards, shocks (facing of unintended events) and unsuitable working environment (Ertas, 2015; Cailler, 2016; Choen, 2016; Holtom et.al, 2015). The researcher is curious about the situation of staff turnover in AMREF Ethiopia and to what extent does the problem affect the organization in terms of realizing its goals and objectives.

1.2 Statement of the problem

In the modern era the issue of staff turnover has been increasingly the concern of all organizations working in the area of industry and services (Kumar, 2011). The challenge of staff turnover is manifested both in developed and developing countries though the magnitude and reasons for leaving jobs differ from country to country. Organizations, particularly business organizations, have been adopting or developing strategies to reduce the impact of staff turnover on their organizational performance thereby ultimate purpose.

According to Armstrong (2001), staff turnover has harmful effect on major sectors, i.e., administrative, financial and social setup of a given organizations. There is a strong correlation between productivity and the duration of an employee serving in a certain organization.

Staff turnover is a common phenomenon not only in profit business organizations but also in non-governmental, non-profitable and charity organizations. These organizations are established to provide various social services for the disadvantaged group of a society. The majority of the literatures are focusing on discussing on the issue of staff turnover by taking the case of business organizations as well as government employees (Ongori, 2007; Kumar, 2011; Butali, 2010; Wright and Bonett 1992; Lee and Jimenez, 2011; Ertas, 2015). Birhanu (2016) has done a research on the professional staff turnover at the Ministry of Education while Aregta and Tesfayie (2016) have studied the same issue in the Ministry of Finance and Economic Development and Ministry of

Justice respectively. There are very few researches done in the areas of staff turnover in humanitarian organizations. For instance Debebe (2007) studied the situation of staff turnover in IRC (INGO). On the other hand, Melaku (2014), conducted a research on the impact of staff turnover on one of the faith based organization called Ethiopian Evangelical Church Mekane Yesus.

AMREF health Africa Ethiopia has also experienced staff turnover and termination both in country and field offices. According to the source of HR department, in the previous two consecutive years, the trend of termination is increasing. In 2015, out of 169 staff members, 53 of them were terminated (31.4%) and in the year 2016 out of 128 staff, 42 were terminated (32.8%) involuntarily at national level. There are also a number of staff members who have left the organization voluntarily. In the last three years (from 2014 to 2016), AMREF has lost 35 professional staffs who had been working in the Addis Ababa office. Therefore, this research attempts to study an assessment of factors affecting employees' turnover and their Implications to organizational performance in AMREF Health Africa Ethiopia thereby fills the research gap found in the humanitarian sector of the Organization.

1.3 Basic research questions

The research will answer the following specific research questions:

1. What are the basic contributing factors behind staff turnover in AMREF health Africa Ethiopia?
2. Which types of staffs (less experienced or experienced) are more susceptible for turnover?
3. What are the consequences of employees' turnover on the organizational performance?
4. What are the strategies of the organization to staff retention and enhancing its effectiveness?

1.4 Objectives of the study

1.4.1 General objective

The general objective of the study is to investigate factors affecting employees' turnover and their implications to organizational performance in AMREF health Africa Ethiopia and to forward possible recommendations.

1.4.2 Specific objectives

- To identify the factors contributing to staff turnover
- To investigate the effects of staff turnover on the organizational performance
- To evaluate the staff retention strategies used and their effectiveness

1.5 Significance of the study

Nongovernmental organizations are expected to provide quality services for their beneficiaries. It is highly believed that the presence of committed and qualified staff can greatly contribute in the area of service provision. These days, however, NGOs are facing staff turnover. The findings of the study will assist AMREF health Africa Ethiopia and other similar organizations in improving the human resource management in terms of effectiveness and retention practices which are vital for any organization. Besides to this, the study will have significance for researchers in terms of adding to knowledge in the area of staff turnover in nongovernmental organizations.

1.6 Scope of the study

The study focuses on the effects of staff turnover at organizational level with specific to its effect on performance. The staff turnover is measured by the intention of employees to leave the organization. The organizational performance is seen from the perception of employees whether the organization has performed well in achieving its goal and objectives or not. The study focuses on AMREF health Ethiopia, Addis Ababa and due to the cost and time constraint the study was not able to include other regions of the country which AMREF has been intervening.

1.7 Limitation of the study

The research attempts to identify factors affecting employees' turnover and their implications to organizational performance by focusing on the existing staff members of AMREF health Africa Ethiopia head office and due to time and financial constraints, the research was unable to

incorporate the views of ex-staffs and existing staff found in regional states of the country. Therefore, the research has limitation in terms of comprehensiveness.

1.8 Organization of the study

The research report has five major parts. The first part of the paper describes the introduction, background of the study, statement of the problem, objectives, significance, scope and limitations of the study. Reviewed literatures will be presented in the second part of the paper. Research methodology will be given in the third part of the paper. The major findings and discussions of the study will be discussed in the fourth part of paper while the conclusion and recommendation will be shown in the final part of the research repo

CHAPTER TWO

LITERATURE REVIEW

2.1. Definition of Turnover and Types of turnover

2.1.1 Definition of Turnover

The concept of turnover is widely discussed in different literatures by various scholars. For this study employee turnover is defined as leaving of an organization

2.1.2 Types of Turnover

2.1.2.1 Voluntary and Involuntary turnover

Voluntary turnover can be described as the departure of an employee from the organization by the initiative of the employee and this might be practical through submission of resignation letter for human resource department. The involuntary turnover, however, is the organization made purposely the employee to abandon the organization. The deliberate act of human resource manager can be manifested via firing, dismissals or termination of contract (Park and Shaw, 2013).

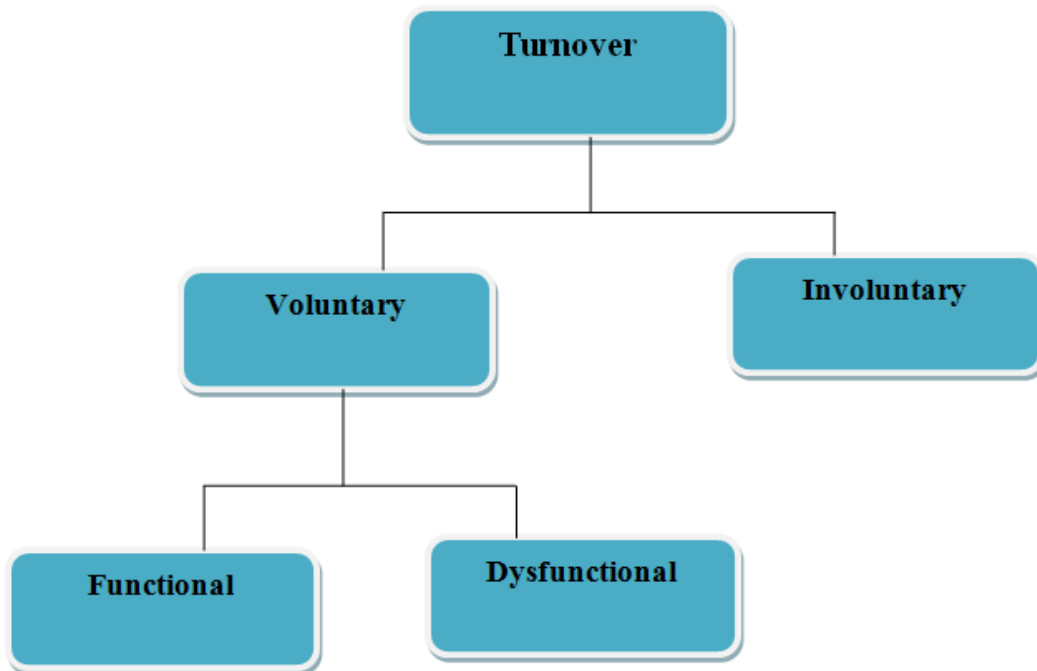
2.1.2.2 Functional and Dysfunctional turnover

The other aspect of turnover can be seen from cost-benefit analysis dimensions. The functional turnover is needed for the organization as it creates the opportunity to substitute low performer employee by high performer or energetic employee and in this case the organization welcomes the leaving of an employee. The dysfunctional turnover of employees, in contrast, has a negative impact on the organizations performance because the organization loses good performing employees (Lee & Jimenez, 2011).

2.1.2.3 Intra-occupational and Inter-occupational turnover

According to Wright *et.al.*, (1992) turnover means departure of an employee from the initial job places. Therefore, as they argued, there are two types of turnover: intra-occupational turnover which involves the movement of an employee from one position to another position (promotional) within the organization while inter-occupational turnover describes the leaving of the member of the staff of a given organization and joining to another organization.

Figure1: Types of employee turnover



2.2 Causes of Turnover

When it is mentioned about the cause of employee turnover it could be logically true to discuss on the voluntary ones because the involuntary employees turnover happens due to purposeful decision of the organization itself. In this part, therefore, the major causes of voluntary employee turnover are briefly discussed.

2.2.1 Job dissatisfaction

Studies have shown that there are various factors that motivate employees to remain in the organization and become productive. As Choen et.al., (2016) described “specific job elements (e.g., salary, benefits, opportunities, certain duties and tasks) positively alter employees’ psychological state... and their likelihood to stay in an organization.” In other words members of staff of the organization are heavily affected by both the intrinsic and extrinsic satisfaction. Intrinsic rewards are derived from the individual and the rewards include creating healthy working relationship with their co-workers, feeling of employees that their work brings difference in the lives of the people,

succeeding in achieving outstanding work performance, enabling of employees participate in various groups and express their views and progress is shown. The extrinsic rewards are given for the employee by the organization and the rewards could be money, benefits, promotions, praise and feedback, flexible working schedule etc. (Manion, 2005). It becomes very subjective for individuals towards selecting the type of rewards which they put as a precondition to stay in the organization (Ertas, 2015). Depending on the nature of the organization, human resource managers try to motivate their employees by considering both kinds of rewards or either of the two, otherwise the organization will be hit by the turnover.

2.2.2 Characteristic of working environment

The situation of working environment could also be another reason for employees' turnover. In any organization, the human capital is considered as the most vital resource which significantly enables the organization to realize its objectives or goals. Most of the time exchange of interaction involves maximizing of self-interests, thereby fostering mutual benefits. Employees in any organization expect rewards from the organization which is compared to the efforts they provide for the company. The rewards are not limited to financial aspects but also include the non-material ones such as good working environment. Employees will work with their full potential if they are given a favorable working situation and this includes existence of interpersonal relationship with caring and valued manner. There are moments when the working environment becomes uncaring and friendly which results workers might be hurt psychologically and develop a feeling of undervalued and unimportant for the organization (Cailler, 2016). At the end, they quit their jobs.

2.2.3 Manager- Employee Relationships

In a given organization both employees and managers are expected to strive for achieving the organizational goals and objectives. Creating optimal relationships between employees and managers has always been the task of management. This is because the organizational performance has a strong correlation with interpersonal relationships of workers with various positions.

The relationships have many dimensions and as (Krot & Lewicka, 2012) identified, integrity (trust) has been found the most important element in vertical (manger –employee) kind of relationships.

The existence of integrity creates positive relationship which in turn enhances work performance.

In order to have better relationship employees need respect from their supervisors or mangers. Besides, workers should have an opportunity to express their feelings and thoughts comfortably and

for this managers should create a room to communicate with them (Dewydar, 2015). Having of good interpersonal skills from managers side could make the path of creating good relationship smooth and accepted. Employees have their own measurement in evaluating their supervisors in the area of interpersonal skills. Employees can see the interpersonal skills of their managers “take care of their interests and needs, resolve differences and take care of issues” (Knot & Lewcika, 2012).

Therefore, it is believed that organizations should work in improving or sustaining positive relationship among employees and managers in order to secure productivity. When such situations are unmet, firstly the employees morale for work becomes low and their productivity also decrease and they might also think to leave the organization. Secondly, the existence of negative relationship between employees and managers will also affect the organizational performance negatively (Xesha et.al, 2014)

2.2.4 Training and Development

Employees are expected to have competitive knowledge and skills in order to do their assigned tasks. Though human resource department of a given organization gives due attention in selecting and hiring the right personnel, organizations are not always achieving expected results with their employees performance. This is because workers might lack updated knowledge and skills to perform their jobs. It could be crucial to upgrade employees’ competency through training and development. It has been revealed that there is a strong relationship between capacity building and employees work performance (Faloal et al., 2014).

In this contemporary world, there is dynamics in science and technology which compels every organization to go with it. Organizations should work in excelling the capacity of their employees so that they will be enabled to cope up with the rapid changes (Niazi, 2011). Otherwise, it will have negative effect on their organizational output.

In other words training can be used as an important tool to transform the current performance of employees to the desired or standard performance (Elnaga & Imran, 2013). Apart from raising their competencies provision of training for employees will also have impact in changing their attitudes towards the jobs they are involved (Kulkarni, 2013). When employees feel competent enough to carry out their activities they will have satisfaction and continues to be committed in doing their job thereby displaying of high job performance.

It has been found that training and development program has appropriate outcome on employees’ productivity and organizational performance (Story, 1995). The existence of training and

development program is also considered as a motivational factor for employees to stay or leave the organization. It is believed that employees who have achieved in boosting their competencies through training and development program and are able to perform their jobs well will remain to stay in the organization. Therefore, staff turnover has positive relationships with the training and development program of an organization.

2.2.5 Payment and Incentives

Payment and incentives are the two major elements by which employees work performance can be affected either positively or negatively. Hendry (1995) said “pay is pivotal element in directing effort and performance towards organizational performance.” Every worker in an organization expects appropriate payment in comparison to his/her performance. The amount of money which the organization pays for an employee has an impact on performance. Even though it is not always true those employees who are offered high remuneration exhibit outstanding performance, good payment can significantly make the performance of workers to be high and also changes their minds towards staying in the organization (Noe et al., 2013)

In improving the performance of employees’ management also consider providing incentives. Incentives are different from salary which employees earn and they can be financial or non-financial (Mussa et al., 2014). To get the incentives workers are expected to achieve good results in their assigned responsibilities. Though the types of incentives which are provided for employees depends on the situation (capacity) of the organization, at least organizations can easily raise the performance of a worker by offering recognition for his or her achievements.

In meeting the organizational goals it is necessary to gain the momentum for achieving the standard performance and employees are to motivate through enjoying attractive payment and incentives. Workers can leave the organization if they are not paid well and got appropriate and expected incentives in proportion to what they contributed in their jobs.

2.3 Organizational performance

Both profit and non-profit organizations strive in achieving their aspiring goals. Organizational performance is the major element that contributes for the success of a given business. Organizations are run by individuals who are considered as members of the management. Dixon (1993) pointed out that the task of management includes “organizing group of individuals so that they work

together towards common goals or in other words deciding what has to be done and getting other people to do it.”

Organizational performance can be affected, either positively or negatively, by both internal and external factors. Since organization could not operate in vacuum or putting itself in island it has heavily influenced by the outside dynamics and it is expected to react accordingly. As Williams & Johnson (2004) outlined, the external factors that affect organizations are politics, economy, social, technological, legal and environment. There are also internal issue such as workforce which organizations should give due attention to ensure in enhancing performance. The existence of skillful workforce to produce the anticipated outcomes has always been top priority for human resource department of a given company. The performance of a given organization can be evaluated in terms of the workforce related outcomes or results. The number of qualified employees, the duration of these qualified staff members as well as their commitments in doing jobs have a paramount importance in taking the organization to move either in ascending or descending direction. In other words by assessing the customer/client satisfaction towards the provided services, employees work attitude and absenteeism are likely to determine the performance of the organization (Park and Shaw, 2013).

2.3.1. Effects of staff turnover on organizational performance

Most studies consistently concluded that all employees turnover are not always bad for an organization. There are times turnover happens beneficial for the organization. The effect of turnover has both positive and negative aspects (Lee and Jimenez, 2011). The negative aspect of turnover, which is the dysfunctional turnover, could influence the organization in terms of finance i.e. the process of recruiting a new staff and providing training incurs cost. More importantly the left employee might hamper social and communication structure of the organization. Having of better social relationship among the staff members can induce the existence of sound interpersonal relationships which in turn have positive impact in creating strong team spirit.

It is true that all employees who have left the organization have not equal influence on the function of the company. Depending on the degree of importance and responsibilities which the worker possessed, the level of disrupt occurred in the organization could be significant or minor. Organization might face even a risk of disappearance when executive members leave their jobs and this will happen because these individuals have an accumulated experiences as well as potentials in

making strategic decisions that enables the company to be profitable and keep walking for future success (Park and Shaw, 2013). In contrast, there are times when the leasing of an employee could be helpful. The positive aspect of turnover, i.e. functional turnover allows organizations to substitute low performer employees with energetic and high performer ones. The substitution situation assists the organization in improving the capacity towards accomplishing planned activities.

When turnover is seen from other perspective, there are voluntary and involuntary reasons of quitting job, it is inevitable to be exposed for crisis. Whether the worker has the left working place by his or her willingness or initiated by the employer there would be challenge for the organization. The influence on the organizational performance has two folds. Firstly, filling the vacant post will take a lot of time and sometimes even it demands more than the estimated period because selecting and getting the right person is not an easy task. During the recruitment period, therefore, implementation of the planned activities has become deteriorated if not ceased and this in turn makes the output further deteriorate. Secondly, hiring new employees as well as offering an induction and other capacity building trainings compels the company to allocate additional budget (Park and Shaw, 2013).

2.4. Strategies for staff retention

In this competitive world retaining valuable employees has increasingly become the concern of organizations. This is because qualified human resource has been playing a great role in enhancing organizational performance which in turn has an impact on outcomes. Boselie (2010) defined retention “as attracting and retaining valuable human resource for the organization.” It will remain a big challenge for human resource manager in retaining staff for considerable period of time. Organizations have been adopting various mechanisms to overcome the problems of staff turnover. Researchers (Nwokocha & Iheriohanma, 2012; Saifullah, 2014; Das & Baruah, 2013; Rehman, 2012) have identified the following major strategies of employee retention.

2.4.1 Establishment of strategic retention plan

Organizations should establish a strategic retention plan which aims at attracting outside employees and maintaining the existing ones. When the plan is prepared it has to take into account the interests of employees. To put it differently, the retention plan should go with the feelings and advantage of

workers. In doing so, the company becomes capable enough in holding knowledgeable and skilful workers. Effective retention plan, therefore, contributes significantly in improving the productivity of workers as well as competitiveness of the organization in a business world.

2.4.2 Employee's participation in decision making

It will reduce the intention of staff turnover if they get the opportunity of participating in various affairs of the organization as well as involving in decision making process. Moreover, allowing workers in management meeting will enable employees to have updated information of the organization thereby fostering common understanding between the management and employees. Participatory kind of management will make the employees to develop a sense of belongingness, deciding staying in the organization for a longer period of time and have a mentality to think about the organization's future success. This situation in turn urges organizations to review their leadership style and adapt flexibility for securing valuable human resource.

2.4.3 Career planning, training and development

Every employee has a career plan in order to have a better life. One of the ways to change life plan into practice is developing competency through acquiring job oriented knowledge and skill. Organization should keep assessing the knowledge and skill gap of their employees so that they prepare staff training and development scheme. The training ought to target in offering knowledge and skills including latest technology which potentially enables the organization to be competent and productive as well as raising the capacity of its employees. The career development process is likely to address the interest of both the organization and employees. On the one hand the workforce has been filled with skillful and trained personnel resulting increment in production of quality goods and services. On the other hand, the employees have equipped with necessary knowledge and skill and keep working and serving the organization and also have a potential to join other organization.

2.4.4 Work environment

Suitable working environment has considerable impact on job satisfaction of an employee. Monetary rewards cannot be the only motivating factors for retaining staff members. There are times when employees decide to leave the organization; despite they are paid highly, due to the existence of unworkable environment. When employees are given appropriate level of privacy and good working relationships, they develop sense of ownership in taking the organizational culture

for personal and organizational development. Therefore, the human resource manager should strive in creating a good working environment.

2.4.5 Job security

There is relationship between staff turnover and job security. Once employees joined in the organization and recognized that their future stay in the organization comes under question, they will have low commitment, job dissatisfaction and there is high probability of leaving the job. Consequently to retain the important employees of the organization, management should work to ensure in maximizing the job security. Securing job, particularly for non-governmental organizations, has not been easy due to the existence of financial uncertainty. As human service organizations are established to serve the needy clients of the society for a given specific period it will be difficult for them to retain a skillful person.

2.5. Theoretical Frame work

The purpose of theory is to describe reasons why a given phenomenon is happening in certain way. Besides, theories are mirrors which assist someone to see and understand the reality of the world. Motivation and Equity theories are found to be more helpful in order to understand well about the impact of employees' turnover on organizational performance. These theories are found to be useful in framing and guiding the study. And hence, they are briefly discussed in the upcoming paragraphs.

2.5.1 Theory of motivation

Motivation theory focuses in elaborating the factors behind employees' job satisfaction and job performance for a given organization. The theory of motivation has been approached by four theorists:

- Maslow's hierarchy of needs
- Herzberg's motivation/Hygiene (two factor) theory
- McGregor's X Y theories
- McClelland's need for assessment theory.

Abram Maslow's hierarchy of needs theory focuses on discussing about the basic needs which human beings aspire to have throughout their lifetime. The needs, however, are placed in order fashion. According to the behavior of individuals strive to fulfill the needs ranging from lower level

i.e. physiological to the upper ladder which is the stage of self actualization. Between physiological and self actualization needs there are safety needs, social needs and esteem needs. Maslow's argument is that people are motivated by the existence of unmet needs found in the hierarchy.

Herzberg's motivation/hygiene (two factors) theory identifies the existed motivational factors can cause satisfaction or dissatisfaction whereas the hygienic factors such as for instance working condition, organizational policy, salary, interpersonal relationship can definitely poses dissatisfaction. Therefore, Herzberg suggests managers should have to identify the factors that create job satisfaction of employees and motivational factors because according the theory satisfied employee does not mean that he or she is motivated and vice versa (Hezberg, 2003).

McGregor's X Y theories attempt to explain or describe the positive and negative assumptions which managers do have towards their employees. Those managers grouped in theory X assume that employees dislike their work and thus have to be avoided; managers also believe employees must be forced and threatened so that they can work. The theory Y groups which have positive attitude toward employees say employees are self directed and self controlled and committed to the organizational responsibilities and also they love work, and are also innovative and proactive.

McClelland's needs theory presupposes that regardless of individuals' disparity in terms of gender, cultural background people are driven by three motives: achievement, affiliation and influence. The theory argued that it should be identified which type of drives does the person is influenced and recognizing the situation will assist for selecting the motivation factors of employees.

2.5.2 Equity Theory

Equity theory says there must be equality in the exchanging of anything (power, relationships, rewards) between two persons. The most important element of the theory is measurement of relationships in terms of outcome/input ratio. Individuals are usually tend to evaluate their relationships with the purpose of maximizing interests and if they found the outcome of their relationship are less than their inputs, then they will raise the issue of equity (Huseman et al., 1987). Inequity can also be perceived from over-reward and under-reward parameter. In organization there are employees who have been provided over-reward as compared to the inputs and on the other hand individuals can also receive under-reward though their inputs exceed. Both situations will

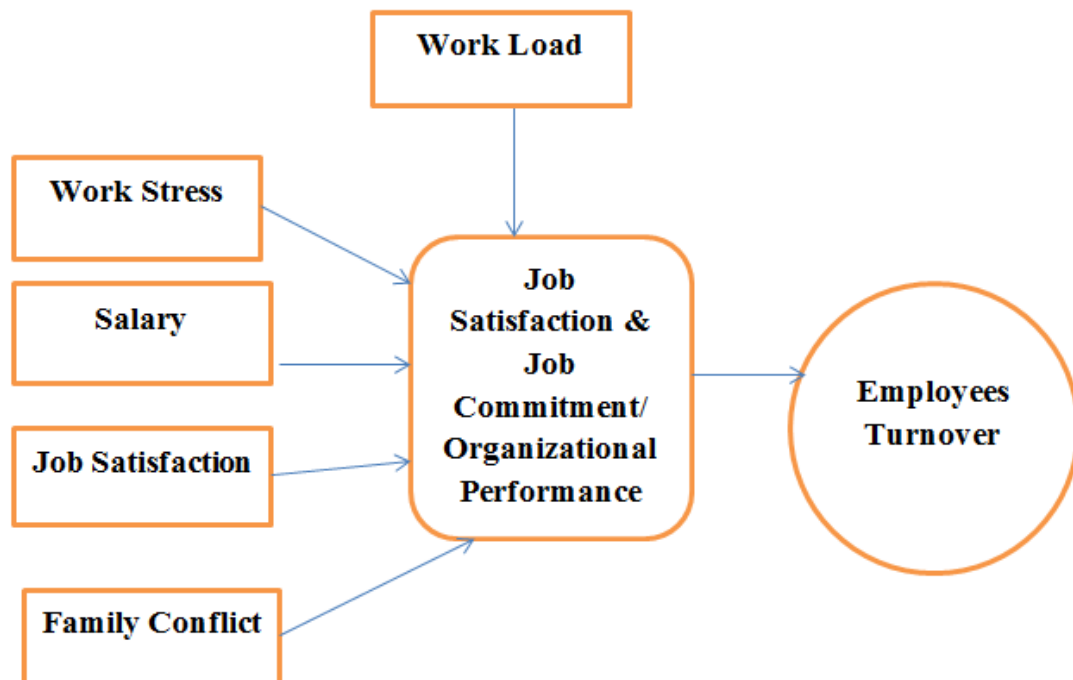
bring negative consequence on employees' work performance and which in turn have impact on organizational effectiveness towards achieving objectives.

2.6 Conceptual Framework of Employee Turnover

The conceptual frameworks for the study takes employee turnover as dependent variable and job satisfaction, payment and incentives, training and development, and staff-manager/supervisor relationships are taken as an independent variables. The dependent variable, employee turnover, can be explained by the independent variables such as job satisfaction, payment and incentives, training and development, and staff-manager/supervisor relationships and organizational performance.

The variables which are mentioned as independent ones can bring negative impact on employees' turnover if they are not properly addressed. Ultimately the issue of staff turnover has direct impact on organizational performance.

Figure 2. Conceptual frame work



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research design and approach

In conducting the study explanatory research design and mixed type research approach has been followed. As Punch (2005) described the purpose of explanatory research is to explain that why and how the relationship between two phenomena existed. Therefore, the researcher found explanatory research design is more appropriate to investigate the effects of staff turnover on the organizational performance. In order to raise reliability of study findings, mixed research approach is used.

3.2 Data types and sources

Two types of data have been used in the study: primary and secondary. The primary data has been secured from the respondents of AMREF employees through administering questionnaires and conducting interview. Relevant books, journals, organizational documents and government reports have also been reviewed and used as secondary data.

3.3. Target population

The researcher has used census survey to gather necessary information. The total number of professional staffs found in AMREF health Africa Ethiopia, head office is 46. Kothari (2004) said “when the universe is a small one, it is no use resorting to a sample survey”. Accordingly, since target population of the study was small one, census survey has been conducted and census survey can have merit in richness of the collected information.

3.4 Data collection Methods

Different instruments to collect data were employed in the study. Accordingly, a set of questionnaires (both closed ended and open ended), semi structured interview, and document analysis were employed. Both the questionnaire and the interview were prepared in English language

Questionnaires

Questionnaires were prepared to collect information from the respondents about the characteristics of respondents, on intention to staff turnover, the major factors that cause staffs turnover, effect of staff turnover on organizational performance and employee's retention strategy. The questionnaires were administered for 43 staff members of AMREF. Seven questionnaires were distributed for staffs as pilot testing. Thus, the result was examined and checked for reliability of the questionnaires. Based on the feedback from pilot test, relevant corrections were made on some ambiguous questions and too long statements in the questions.

Interview

A semi-structured interview item was prepared and employed to obtain in-depth information on the effect of staff turnover on the organizational performance and on what should be done to reduce the problem. A face-to-face interview was held with four staffs that are found in top position of the organization (Finance, Monitoring and Evaluation, Program and Human Resource Managers). Interview is very useful in allowing maximum degree of clarity of information while carrying out the discussion. In addition, it helps to obtain more detailed information on the issues mentioned above.

Document Analysis

Documents found in the organization have been reviewed. Information related to the left staff members of AMREF was retrieved from HR department. The human resource management policy has also been referred in relation to the existed strategies that retain the valuable assets of the organization.

3.5 Data analysis and presentation

The data gathered through questionnaire was computed with the use of computer and software programs (SPSS) and the data grouped into tables. The researcher used frequency counts, percentage, mean, standard deviations, correlation and regression for structured items and interpreted according to the findings. The information which was collected through interview can be summarized and discussed within the various topics of the study.

3.6 Ethical Consideration

1. Confidentiality and privacy are some of the most corner stone of field research activities in order to get relevant and appropriate data. The researcher assured, on the introductory part of the questionnaire, about the purpose of the research paper and confidentiality of any information gathered through questionnaire. The recorded data during the interview time will be destroyed after the data has been transcribed into words.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with data presentation, analysis and interpretation of the data found from census survey, interview and other documents found in the organization. The main purpose of the study is to identify contributing factors for staff turnover in AMREF health Africa Ethiopia and to examine the effects of staff turnover on the organizational performance. The study also attempts to discover the retention strategies of AMREF in maintaining staff and improving the effectiveness.

Accordingly, questionnaires prepared and distributed for 46 respondents and 93.48 % of professional staff members of AMREF properly filled and returned. Interviews were conducted with four senior staffs of AMREF i.e. Program manager, Human Resource officer, Finance Manager and Monitoring and Evaluation Manager.

Secondary source of data such as HR manual and exit interviews documents were reviewed to strengthen the data which can be used for analysis and interpretation. Finally the data obtained through these instruments were organized, tabulated, analyzed and interpreted.

4.1 Background of Respondents

Table 4:1 Background of respondents

Gender	N	%
Male	25	58.1
Female	18	41.9
Total	43	100
Age		
Below 25	1	2.32
25-30	7	16.28
31-35	12	27.91
36-40	11	25.58
Above 40	12	27.91
Total	43	100
Marital Status		
Single	13	30.24
Married	29	67.44
Divorced	1	2.32
Widow/Widower	0	0
Total	43	100
Qualification		
Diploma	5	11.62
Degree	15	34.89
Master	23	53.49
Medical Doctor	0	0
Doctor of Philosophy	0	0
Total	43	100
Year of Service		
6 month-1 year	7	16.27
1 – 2 years	3	6.97
2 - 5 years	16	37.22
5 – 10 years	11	25.58
More than 10 years	6	13.96
Total	43	100
Service Year in your last position		
1 – 2 years	11	25.58
2 - 5 years	20	46.51
5 – 10 years	8	18.6
More than 10 years	4	9.31
Total	43	100

Note : f= frequency

As shown in table 4.1, 58.1% of the respondents are male whereas the rest 41.9% are females. This shows that there is no significant gender disparity in placement of human resource and this can be considered the positive aspect of the organization. The same table also portrays age categories of respondents and accordingly the age category of 31-35 and above 40 years have taken the same percentage i.e. 27.9 %. Majority of the respondents are found above 36 years of age.

In the case of marital status of the respondents, as described in table 4.1, 67.4% of them were married while 30.3% were found to be bachelor. It could be an asset for AMREF having of significant number of married staff.

Out of the total 43 respondents, 23 (53.5%) possess master degree while 34.9% and 11.6% of respondents have degree and diploma respectively. The same table depicts that more than 88 % of the respondents hold at least one degree. According to data obtained from the respondents, AMREF health Africa Ethiopia has retained qualified personnel.

Respondents were asked about service years while working in AMREF and as in the table 4.1 shown 37.2% of the respondents have served between 2 and 5 years, 25.6% of them have fallen in the range of 5-10 service years and very few employees (7%) have 1-2 years of experiences working in the organization. In general, more than 60% of the employees of the study area have minimum 2 years and maximum 10 years of experiences.

When it is seen the service years of respondents staying in their last position, as described in the same table, 46.5% of the respondents said they remain between 2- 5 years while 25.6% of them have remained between 1 and 2 years. There are also employees (18.6%) who have been staying in the current position for long years. Based on the respondents' response it could be possible to say that there is less opportunity for staff promotion and this might be push the staff to see the outside for better position. It is not always true that earning attractive salary could make staff to stay in the organization. Factors like job title and position can also be a determinant variable for an employee to stay or leaving of the organization.

4.2. Intention of Staff Turnover

Table 4.2 Intention to Staff turnover

No.	Items	SD		D		N		A		SA		Mean	Std. Deviation
		f	%	F	%	f	%	f	%	f	%		
1	I frequently think of quitting my job	10	23.3	17	39.5	0	0	10	23.3	6	14	2.65	1.429
2	I am planning to search for a new job during the next 12 months	1	2.3	3	7.0	0	0	19	44.2	20	46.5	4.26	0.953
3	If I have my own way, I will be working for this organization one year from now	0	0	6	14	0	0	20	46.5	17	39.5	4.12	0.980
	Overall Mean											3.7	

As in Table 4.2 revealed that more than 60% of the respondents do not frequently think of quitting of their jobs while 37.3% of the respondent replied that they repeatedly think of leaving of their current jobs. According to the response of respondents it can be safe to say significant number of staff of AMREF have an intention to leave the organization.

Item 2 in the same table tells about almost 91% of the respondents have a plan to search a new job during the next twelve months; whereas 9.3% of the respondents responded that they don't have a plan for searching of a new job. Despite the staff of AMREF found in the capital city of Ethiopia where every facility relatively fulfilled than other parts of the country they keep planning in looking for another organization.

Regarding item 3, more than 85% of the respondents would have worked even at least for one year if they had managed in securing their own way. There are also 14 % of respondents who replied that they will serve the organization for a year of time though they have got opportunity to work in another place or organization.

The total mean value is 3.7 and this indicates that there is an intention of staff turnover in the organization.

4.3 Causes of Staff Turnover

4.3.1. Job Satisfaction

Table 4.3 Job satisfaction

No	Items	SD		D		N		A		SA		Mean	Std. Deviation
		f	%	f	%	f	%	f	%	f	%		
1	You are satisfied with the existed working environment of AMREF health Africa Ethiopia	7	16.3	7	16.3	0	0	23	53.4	6	14	3.32	1.357
2	You are satisfied with AMREF commitment to provide you necessary things to perform your job	2	4.7	12	27.9	0	0	22	51.1	7	16.3	3.47	1.202
3	You are satisfied with the interpersonal relationship between employees of AMREF	1	2.3	7	16.3	0	0	20	46.5	15	34.9	3.95	1.111
4	You are satisfied with the unmatched position with the skill & knowledge you have.	6	14	8	18.6	0	0	19	44.1	10	23.3	3.44	1.402
	Overall Mean											3.55	

As shown in table 4.3 item one 67.4% of the respondents replied that they are satisfied with the existing working environment of AMREF health Africa Ethiopia. While 32.6% of study participants responded that they do not feel satisfaction. During the interview it was learnt that the existing working environment of AMREF has not been found good.

Concerning item 2 in the same table the respondents who have said that they are satisfied with AMREF's commitment to provide necessary things to perform job constituted 67.4.8% ; 32.6% of study participants said that they are not satisfied with AMREF's commitment to provide necessary things to accomplish their jobs. Based on the response of respondents it can be possible to say that AMREF as an organization does not equally offer necessary things for staff in order to execute their

responsibilities. The disparity in resource allocation could affect the moral of staffs and this situation might push employees to leave their jobs.

When asked the respondents whether they are satisfied or not with inter personal relationship between employees of AMREF, as described in item 3 of same table, majority of study participants (81.4%) responded as they are satisfied with the existed interpersonal relationship among employees. Less number of the respondents (18.6%) said that they are unsatisfied with the employees' interpersonal relationships. By referencing the responses of respondents it can be conclude that interpersonal relationships is not the cause of staff turnover in AMREF.

Regarding item 4 in the same table 67.4% of the respondents have said they are assigned in position matched with the skills and knowledge they have. There are study participants (32.6%) who are not satisfied with unmatched position with the skill and knowledge they have. The data implies that there are staff members who are either working with low capacity or their background might be different from the current position.

When it is seen the total calculated mean i.e. 3.55, the staff members of AMREF has job satisfaction and it can be safe to say that the situation of job satisfaction cannot be the main driving force of staff turnover.

4.3.2 Payment and Incentive Factors

Table 4.4 Payment and Incentive Factors

No	Items	SD		D		N		A		SA		Mean	Std. Deviation
		f	%	f	%	f	%	f	%	f	%		
1	The pay system of AMREF is based on performance appraisal	15	34.9	21	48.8	0	0	3	7	4	9.3	2.06	1.222
2	Inadequate salary and other benefits make you leave the organization	7	16.3	21	48.8	0	0	12	27.9	3	7	2.60	1.256
3	The rewards of incentives provided by the organization are based on fairness & performance	9	20.9	21	48.8	0	0	11	25.6	2	4.7	2.44	1.220
4	No hope of obtaining better benefit in the future make you leave AMREF	12	27.9	22	51.2	0	0	8	18.6	1	2.3	2.16	1.111
5	The availability of higher paying jobs outside make you leave the organization	5	11.6	19	44.2	0	0	16	37.2	3	7	2.83	1.252
6	Qualification and experiences are considered for promoting of employees	2	4.6	26	60.5	5	11.6	6	14	4	9.3	2.62	1.091
7	AMREF is impartial in providing benefits for all employees	2	4.6	12	27.9	6	14	17	39.5	6	14	3.30	1.165
	Overall Mean											2.447	

As shown in table 4.4 item 1, 83.7 % of the respondents said that the pay system of AMREF is not based on performance appraisal; 16.3 % of the respondents said that the pay system of AMREF is based on performance appraisal. Employees will highly be motivated if their remuneration bases in

accordance with job performance. When other factors take prior consideration in paying wages for staff other than performance it will affect negatively staff's motivation towards accomplishing a given tasks. Besides, the existence of partiality could make workers to look for outside job opportunities.

Reaction of respondents to item 2 on the same table is that 65.1% of them opposed that inadequate salary and other benefits make an employee in leaving the organization while 34.9% of participants of the study the existence of inadequate salary and other benefits could make employees leave their jobs. From this data, one cannot see big difference between those agreed and disagreed for the issue of salary and benefits and therefore it can be concluded that payment and incentive factors are likely to the cause of staff turnover in AMREF Ethiopia.

When it is seen the outlook of respondents in item 3 same tables, 65.1% and 30.3% of the respondents responded as disagree and agree respectively.

Item 4 the same table describes that 79.1 % the respondents could not leave their jobs despite knowing the lack of hope for obtaining better benefits. One can conclude that existence of fewer benefits cannot make employees to leave the organization so long as they are paid attractive salary.

Regarding item 5 in the same table, significant number of respondents (55.8%) said that it is not true that the availability higher paying jobs outside can make them to leave AMREF while 44.2% respondents were said that it is true that the availability of higher paying jobs outside can make them to leave AMREF. Based on the data obtained from respondents it can be said that the existence of good remuneration could be one of the determinant factors which make employees to leave or staying in the organization.

As shown in item 6 in the same table respondents who said qualification and experiences are not considered for promoting of employees constituted 65.1% while 11.6 % of the respondents reserved in providing their views. When promotion of employees from one position to other fails to consider qualification and experiences employees are unlikely to stay in the organization.

In the same table item 7 summarizes the extent of respondents towards the impartiality of AMREF in providing benefits for employees and 32.6% and 53.5% of the respondents responded as disagree and agree respectively while 14% of the respondents preferred to be neutral.

The total calculated mean value for the same table is 2.44 and this indicate that payment and incentive factors can become the cause staff turnover in AMREF health Africa Ethiopia. This finding is also supported by the data obtained through interview.

4.3.3 Training and Development factor

Table 4.5 Training and Development factors

No	Items	SD		D		N		A		SA		Mean	Std. Deviation
		f	%	f	%	f	%	f	%	f	%		
1	There is high training opportunity in the organization	16	37.2	23	53.4	0	0	2	4.7	2	4.7	1.86	0.989
2	Staff development program of AMREF is relatively strong than any other similar NGOs	10	23.3	29	67.4	0	0	4	9.3	0	0	1.95	0.785
3	In AMREF there are opportunities for staff promotion	7	16.3	26	60.4	0	0	6	14	4	9.3	2.39	1.198
	Overall Mean											2.06	

Respondents were asked about their views related to training and development and accordingly as it seen in table 4.5 item 1, among the total respondents of 53.4%, 37.2% of them disagree and strongly disagree respectively on the existence of high training opportunity in the organization. There were respondents (9.4%) who agree on the idea that AMREF offers high training opportunity for the staff. Based on the response of respondents there is a big difference between the two attitudes of respondents (agree and disagree). It is highly believed that staff capacity building would yield better job performance and on this regard AMREF is weak in creating training opportunities for its employees.

When asked participant of the study, in the same table item 2, about the extent of response on the statement “staff development program of AMREF is relatively strong than any other similar NGO”, 67.4 %, 23.3 % of the respondents responded as disagree and strongly disagree respectively and 9.3 % of the respondents shown as agreed. According to the data obtained from the study participants

the staff development program of AMREF is feeble and this implies that less attention being given to one of the major resources of the organization.

As can be shown in the same table item 3 summarizes the views of respondents. Accordingly, 76.7% of study participants disclosed that there are no opportunities for staff promotion existed in AMREF whereas 23.3% of the respondents said there are opportunities for staff promotion. From the presented data one can see that AMREF does not encourage its employees through creating opportunities of staff promotion and this scenario could make the staff to seek out better position in other organization.

In an interview with HR officer, she strongly commented that the training and development program of the organization is not functional and this can also be the reason for leaving of the organization

As conclusion, with the total mean value (2.06) indicated in the same table, staff training and development program of AMREF is found to be weak and this could be one of the factors that contribute for staff turnover.

4.3.4. Staff – Manager/ Supervisor Relationship

Table 4.6 Staff – Manager / Supervisors Relationship

No	Items	SD		D		N		A		SA		Mean	Std. Deviation
		f	%	f	%	f	%	f	%	f	%		
1	There is good relationship between managers and employees in the organization	5	11.6	12	27.9	0	0	21	48.8	5	11.7	3.20	1.301
2	Managers are fair, reasonable and supportive for employees	3	7	8	18.6	0	0	24	55.8	8	18.6	3.60	1.198
3	Providing orientation for new employees could reduce anxiety and created positive attitude towards AMREF	1	2.3	2	4.7	0	0	28	65.1	12	27.9	4.12	0.822
4	Your inputs are appreciated in the organization	3	7	11	25.6	0	0	27	62.8	2	4.7	3.32	1.128
5	You are valued in the organization	3	7	9	20.9	0	0	21	48.8	10	23.3	3.60	1.256
6	The top management allows employees to participate in decision making	1	2.3	9	20.9	1	2.3	26	60.5	6	14	3.63	1.047
7	You have a sense of belongingness to the organization	0	0	1	2.3	0	0	27	62.8	15	34.9	4.30	0.599
	Overall Mean											3.7	

As can be seen in table 4.6 item 1, 60.4% of the respondents responded that there is good relationship between managers and employees whereas 39.6 % of study participants said the opposite.

As in item 2 same table described among the total respondents 74.4% of them forwarded that managers are fair, reasonable and supportive for employees. It is also found that 25.6% of study

participants said that they disagree on the view of managers are fair, reasonable and supportive for staff.

Item 3, same table identified that 93.0 % of study participants forwarded agreement to the view that providing orientation for new employees could reduce anxiety and created positive attitude towards AMREF and only very few respondents (7%) were not supporting the view.

Regarding item 4, same table, 67.4% of respondents said their inputs are appreciated by the organization whereas respondents that constituted 32.6% replied that their inputs are not appreciated.

When asked the views of respondents regarding being valued in the organization, as described item 5, same table, majority of staff (72.1 %) responded as agree / strongly agree while 27.9% of staff reacted as strongly disagree/disagree. Based on their responses one can state as the organization value its employees and this could be the positive aspect in interpersonal relationships.

As stated in item 6 same table 74.5% of the respondents responded that the top management allows employees to participate in decision making and there are also respondents (23.2%) who said that the management does not allow participation of employees in terms of decision making.

With regard to item 7 in table 4.6, almost all the respondents (96.7 %) replied that they have a sense of belongingness to the organization.

Based on the data obtained from respondents (with calculated mean value 3.7) the relation between staff and manager or supervisors of AMREF is quite good and this could be considered as a good asset to facilitate jobs found in various units of the organization. The interview results support the idea that there is good relationship between managers and other employees. Therefore, one can conclude that since the staff – manager/ supervisor relation in AMREF is positive, it cannot be the cause of staff turnover.

In summary the calculated mean value for job satisfaction is 3.55 while payment and incentive factors have total 2.44 mean values. The total calculated mean value for training and development factor and staff manager relationship is 2.06 and 3.7 respectively. Accordingly, training & development and payment & incentive factors found to be the major reasons for staff turnover.

4.4. Organizational performance

Table 4.7 Organizational Performance

No	Items	SD		D		N		A		SA		Mean	Std. Deviation
		f	%	f	%	f	%	f	%	f	%		
1	AMREF has brought meaningful change in making the pregnancy safe for women	8	18.6	28	65.1	0	0	5	11.6	2	4.7	2.18	1.029
2	AMREF has been effective in creating reproductive health access for community members	8	18.6	26	60.5	0	0	5	11.6	4	9.3	2.32	1.189
3	AMREF is known in creating safe water access for the target community members	3	7	27	62.8	0	0	8	18.6	5	11.6	2.65	1.212
4	Contribution of AMREF in improving hygiene and sanitation of community members is significant	3	7	15	34.9	2	4.7	16	37.2	7	16.2	3.20	1.282
5	AMREF provides quality health services in improving the lives of disadvantaged women and children	5	11.6	27	62.8	0	0	6	14	5	11.6	2.51	1.222
6	AMREF has become effective in reducing the spread of TB, HIV and malaria	7	16.3	28	65.1	0	0	5	11.6	3	7	2.27	1.098
7	AMREF keeps working in strengthening the health system of the country (Ethiopia)	11	25.6	22	51.2	0	0	7	16.1	3	7	2.27	1.221
	Overall Mean											2.4	

As table 4.7 item 1 depicts that 83.7 % of respondents responded that AMREF has not brought meaningful change in making pregnancy safe for women. Those respondents who said that has brought meaningful change in making safe for women constituted 11.6% and 4.7% of study participants were in the position to say agree or strongly agree. According to the response of the staff, AMREF remains to work a lot in the area of pre natal care.

Concerning item 2 same table majority of the respondents (79.1%) disagreed/strongly disagreed on the effectiveness of AMREF in creating reproductive health access for community members while 20.9% of them shown as agreement/ strong agreement. The existed data implies still AMREF needs to work more towards the effectiveness of reproductive health.

Item 3 the same table portrays about the views of respondents about the work of AMREF on the area of creating safe water access for target community members. Accordingly, 69.8% of study participants were not agreed on the work of AMREF; 30.2 % of the respondents acknowledged on the intervention of AMREF in creating potable water for beneficiaries. As it can be seen the responses of respondents, still AMREF needs to work on strengths of the organization in its intervention of creating access safe water.

When asked their perception about the contribution of AMREF in improving hygiene and sanitation of community is significant, as described in item 4 same table 37.2%, 16.3 % of the respondents said agree and strongly agree respectively. While 7 % of participants of the study reacted as disagreed strongly and 34.8% of them responded as disagreed. Based on the given data it is possible to say AMREF's contribution in improving hygiene and sanitation of community members has been found significant.

As shown in item 5 table 4.7 majority of the respondents (74.4%) replied that they disagree/strongly disagree on AMREF's provision of quality health services with the objective of improving the lives of disadvantaged women and children. There were also respondents (25.6%) who opposed on the view that AMREF provides quality service for needy individuals.

Regarding item 6 same table 81.4% of study participants shown disagreement on AMREF's effectiveness in reducing the spread of TB, HIV and malaria while 18.6% of the respondents responded as agreement

Item 7 same table identifies that 76.7% of study participants gave their responses as disagreement on the work of AMREF in the area of strengthening the health system of the country. The proportion of respondents who replied as agreement for AMREF's contribution in strengthening health system of the country is 23.3 %.

The total calculated mean of table 4.7 is 2.4 and out of seven points which are considered as measuring points to evaluate the organizational performance in six major intervention strategic areas, AMREF is not performing well. It can be concluded that the organizational performance of AMREF found to be very low. One of the reasons for achieving low performance might be related to staff turnover.

The interview result also shows that there is correlation between staff turnover and organizational performance. According to participants of interviews the effects of staff turnover on organizational performance is listed below:

- It can create delay in implementation of planned activities and this in turn the outputs of the organization
- It can affect both the physical and financial performance of the organization
- Since the activities are not accomplished based on donor agreement it will affect the donor or partner relationships
- The organization loses its valuable assets and this situation makes the organization commence from the scratch and will affect effectiveness and efficiency of works.

In terms of cost, staff turnover affects AMREF significantly. The interviewees discovered that turnover create burden on HR department because they have engaged in the process hiring of new staff. Apart of work burden turnover influence the financial aspect of the organization. The recruitment process demands money, for instance, as the HR officer said when a senior management position is hired, the examiner must come from head quarter, Nairobi and all costs of the examiner is required to be settled. The Finance manager substantiated the idea by saying:

if the position is in higher level it needs higher position interviewer and it costs their one day salary and in average it is about 11,000.00 birr per day and the other is if the candidate comes from other region other than Addis Ababa the organization pay transport cost and per dime(per day around 500 birr).

4.5 Employee Retention Strategy

Table 4.8 Employee Retention Strategy

No	Items	SD		D		N		A		SA		Mean	Std. Deviation
		f	%	f	%	f	%	f	%	f	%		
1	AMREF offers guarantee for job security	6	13.9	24	55.8	4	9.3	7	16.3	2	4.7	2.41	1.074
2	Existence of promotion opportunities in AMREF	1	2.3	25	58.1	7	16.3	8	18.6	2	4.7	2.65	0.973
3	AMREF has created suitable working environment	2	4.6	11	25.6	5	11.6	22	51.2	3	7	3.30	1.080
4	AMREF applies job rotation and new assignments for employees	13	30.2	19	44.2	4	9.3	5	11.6	2	4.7	2.16	1.132
5	AMREF helps staffs in career development	5	11.6	24	55.8	6	14	7	16.3	1	2.3	2.41	0.981
6	AMREF has committed for staff training and development program	8	18.6	19	44.2	9	20.9	7	16.3	0	0	2.34	0.973
7	AMREF practices rewarding and recognition for good performer	4	9.3	26	60.4	5	11.6	6	14	2	4.7	2.44	1.007
8	AMREF provides attractive fringe benefits for staff members	7	16.3	22	51.2	7	16.3	6	14	1	2.3	2.34	0.997
9	AMREF has created opportunities for employees to participate management activities	1	2.3	13	30.2	8	18.6	20	46.5	1	2.3	3.162	0.974
10	AMREF keeps evaluating the effectiveness of the existed employee's retention strategy	1	2.3	27	62.8	6	14	8	18.6	1	2.3	2.558	0.907
	Total											2.42	

When asked about the perception of employees towards offering of AMREF's guarantee for job security, shown in table 4.8 item 1, 55.8% of the study participants disagreed and 13.9 % of them strongly disagreed; while 16.3%, 4.7 % of the respondents were agreed and strongly agreed respectively. When seen in general aspect more than 60 % of the respondents said AMREF does not offer guarantee for job security.

As shown in item 2 the same table 60.4% of respondents responded that there is no promotion opportunities while 23.3% of the respondents in contrary said that opportunities for staff promotion existed. Among the total number of respondents 16.3% of them were found to be neither agreed nor disagreed. Based on the views obtained from participants of the study employees of AMREF will be forced to leave the organization in order to find better position.

Regarding item 3 the same table, 25.6 %, 4.6 % of the respondents forwarded their views as disagree and strongly disagree on the proposition that AMREF has created suitable working environment. Whereas 58.2% of the respondents responded as agree / strongly agree and other study participants (11.6%) remained to be neutral towards the stated statement. As significant number of employees of AMREF attested that the working environment has been found conducive for workers.

As in item 4 the same table portrayed 44.2 % and 30.2 % of respondents reacted as disagree and strongly disagree respectively on the statement that says AMREF applies job rotation and new assignment for employees. Those respondents who replied in favoring the statement accounts 16.3% and the other 9.3 % of study participants decided not take sides. Job rotation and offering new assignments could be taken as a retention strategy for keeping of staff members. According to the responses of study participants, however, this is not the case for AMREF health Africa Ethiopia.

The views of respondents towards AMREF's career development, as described in item 5 same table, is 67.4% of study participants responded that AMREF does not help in staff career development while 18.6% of respondents said the reverse.

Regarding item 6 in table 4.8, 18.6% and 44.2 % of participants of the study replied strongly disagree and disagree respectively towards the stated statement. While 20.9% of the respondents remained to be neutral and 16.3% of participants of the study with the proposition of that AMREF has committed for staff training and development program. Based on the response of respondents

more than 60% of study participants attested that AMREF has not committed for staff training and development program. This indicates that significant numbers of employees have not been updated with knowledge and skills which contribute for improving job performance.

When it is seen the response of respondents in item 7, it was found that 69.7% of them responded as disagreed / strongly disagreed whereas 18.7% of them shown as agreement. Among the total respondents 11.6% of them were not sure whether AMREF practices rewarding and recognition of good performer or not. According to the response of respondents one can see that the practice of AMREF in rewarding and offering of recognition for good performer is weak.

As item 8 in the same table depicts that 16.3 % and 51.2% of respondents reacted as strongly disagree and disagree respectively on the statement that says AMREF provides attractive fringe benefits for staff members. While 16.3% of respondents remained not to take sides, only 16.3% of the respondents shown as agreement.

When asked the extent of respondents towards the view that AMREF has created opportunities for employees to participate in management activities, described in item 9 same table, 48.8 %, 32.5 % of them responded as agreement and disagreement respectively .

As shown in item 10 same table 65.1% of study participants reacted as disagreement on the statement that says AMREF keeps evaluating the effectiveness of existed employees' retention strategy while 20.3 % them on the contrary agreed with the stated statement.

Though AMREF has put the retention strategy in HR manual it has been rarely implemented practically in retaining staff members of AMREF and this statement goes with the views of one of the interviewees that the researcher interviewed i.e. Finance manager. The study discovers, with total calculated mean value 2.42, that AMREF as an organization does not have a specific retention strategy which can be implemented practically for keeping of valuable employees to stay considerable period of time thereby meet the objectives of the organization.

4.6 Overview of staff susceptibility for staff turnover

Table 4.9 Service years of left employees

Served Years	Year 2014		Year 2015		Year 2016		Total	
	f	%	f	%	f	%	f	%
1-3	3	8.57	5	14.29	5	14.29	13	37.14
4-7	8	22.86	4	11.42	7	20	19	54.29
8-11	1	2.86	0	0	2	5.71	3	8.57
Total	12	34.29	9	25.71	14	40	35	100.00

Source: retrieved from exist interview found at HR unit

f = frequency

As it can be seen in table 4.9, in three consecutive years 37.14% of the ex- staff members of AMREF served the organization within the range of 1 and 3 years. The same table also describes that 54.29 %, 8.57 % of the total left employees had stayed in the organization for 4- 7 and 8-11 years respectively. Though the number of staff who had been serving the organization between the years of 8- 11 is small they were very influential personnel, such as, deputy director, business development manager, human resource manager.

As the table depicts more than 60% of the left staff served the organization between 4 and 11 years and it is possible to conclude that AMREF lost its very experienced staff members and this scenario has been affecting the organizational performance negatively.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary

The main purpose of this study was to assess the effects of staff turnover on the organizational performance and to find the possible mechanisms to reduce staff turnover that could reassure staff stay in AMREF Health Africa Ethiopia. In order to achieve the stated objective, census survey with an explanatory research purpose, study was conducted in AMREF health Africa Ethiopia. Questionnaires and interviews were the major tools employed for collecting of the data. Statistical tools such as mean, standard deviations, percentage, and frequency of respondents were applied to analyze the collected data.

One of the main reasons for staff turnover is related to payment and incentive factors. Among the total respondents 83.7% said the pay system of the organization is not based on performance. As significant number of respondents (55.8 %) provided their views that the existence of good remuneration could be one of the determinant factors which make employees to leave or stay in the organization. The interview result also attested that low salary increment or low scale and benefits could be the reason for staff turnover.

The study found that staff training and development program (with total calculated mean value 2.06) can be another contributing factor for staff turnover. According to the data obtained from the study 90.6 % of respondents were agreed less training opportunity existed in the organization, 90.7 % of participants reacted that the staff development program of AMREF is feeble and 76.7% of study participants disclosed that there are no opportunities for staff promotion existed in AMREF. The interview result shows that the training and development program of the organization is not functional.

AMREF's performance in key intervention areas were assessed and accordingly 83.7 % of respondents responded that AMREF has not brought meaningful change in making pregnancy safe for women. Moreover, majority of the respondents (79.1%) disagreed on the effectiveness of AMREF in creating reproductive health access for community members. Out of seven points which are considered as measuring points to evaluate the organizational performance in six major intervention strategic areas, AMREF is not performing well. The interview result also shows that

there is correlation between staff turnover and organizational performance. They said when there is staff turnover delay occurs in implementation of planned activities which in turns affect effectiveness and efficiency of works. Apart from creating work burden turnover influence the financial aspect of the organization.

Regarding the strategies of the organization in maintaining staff the study finds that AMREF does not offer guarantee for job security and of respondents responded that promotion opportunity. Participants of the study reacted that AMREF does not consider job rotation as staff retention strategy. AMREF neither has also the practice of rewarding and recognition. Based on the study it was learned that AMREF as an organization does not have a specific retention strategy which can be implemented practically for keeping of valuable employees to stay considerable period of time thereby meet the objectives of the organization.

As to the overview of susceptibility staff turnover the study uncovers that more experienced staff who had served the organization on 4 to 11 years left humanitarian organization.

5.2 Conclusion

Based on the facts of data analysis and summary made the following conclusions are drawn:

1. The major factors that forced staffs to leave the organization are related to payment and incentive factors. There is inadequate salary and other benefits make an employee in leaving the organization. Besides, as the study indicates that the payment of staff salary and other incentives of AMREF are not based on performance appraisal.

In AMREF the staff training and development program is feeble and this could be the other main reason for employees' turnover. The study revealed that there are no opportunities for staff promotion existed in AMREF and this may push the staff of the organization to look for other work opportunities outside and this has negative effect on the organizational performance.

2. The research finding shows that AMREF has lost its very experienced professional staff members and this scenario has been affecting the organizational performance negatively. On average the ex-staffs members had served the organization for 7.5 years and there are also staffs

who have been considered as the heart of the organization, as they are capable enough in strategic thinking, left the organization voluntarily.

3. As measuring points to evaluate the organizational performance in six major intervention strategic areas, AMREF is not performing well. One of the reasons for achieving low performance might be related to staff turnover.

4. In relation to staff retention, it was found that AMREF does not offer guarantee for job security. Job rotation and offering new assignments could be taken as a retention strategy for keeping of staff members. Though AMREF has put the retention strategy in HR manual it has been rarely implemented practically in retaining staff members of AMREF. AMREF as an organization does not have a specific retention strategy which can be implemented practically for keeping of valuable employees to stay considerable period of time thereby meet the objectives of the organization.

5. Every organization experiences staff turnover despite the magnitude and reasons differ from one organization. Staff turnover has multifaceted effect on organization. The researcher argues that human resource challenges that non-governmental organization encounter should be given equal attention that of government or business organization particular in the area research. This research is anticipated in filling the gap in bringing new and or additional insights to the impact of staff turnover on organizational performance the case of AMREF health Africa Ethiopia. The research can also be used as an input to deal with staff turnover and organizational performance.

5.3 Recommendation

Based on the analysis of findings the researcher forwarded the following recommendation:

1. AMREF should make the pay system based on employees' performance appraisal. This approach could benefit both the organization and employees. For employees it will be taken as stimulus in creating more commitments in accomplishing planned activities. In doing so the organization gets a vibrant staff members who contribute to the organizational performance
2. AMREF needs to work in accordance with its policy. While promoting a staff member to the better place it is crucial to take into account his/her education and experiences. If other than educational background and work experiences are considered for promotion it will

create discontents among employees thereby employees lack sense of belongings. Therefore, in order to ensure transparency there must be announcement openly as to why such person promoted.

3. AMREF should work in creating opportunities for staff training and development program. Employees have to go with updated knowledge and skills so that they are capable enough in challenging the dynamics. The training can be organized during the weekends, outside the working hours.
4. At least once a year the HR department should conduct an assessment in order to understand the views of staff in the area of job satisfaction, work performance. This will help in making prompt decisions to reduce staff turnover.
5. It is not quite enough for employers to acquire qualified and skilled personnel; rather retaining the experienced one is a crucial factor. Since turnover for skilled and knowledgeable employees particularly those can't be replaced for years are capable to damage credibility of the organization and in the mean time lead to decline in organizational performance. Hence, managers should make a maximum effort in the handling of employee and motivate dissatisfied employees.
6. The top management is expected to show their commitment on the implementation of staff retention strategy which is stated in HR manual.

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Saint Mary's University

Department of Business Administration

Appendix I

The purpose of this questionnaire is to collect relevant data for the study entitled “An Assessment of Factors Affecting Employees’ Turnover and Their Implications to Organizational Performance: The Case of AMREF Health Africa Ethiopia” for the partial fulfillment of master of degree in Business Administration. The findings of the study will be utilized solely for academic purpose. Therefore, I kindly ask you to respond each question genuinely.

Notice

It is not important to write your name. The information you give will be kept confidentially. Please, circle your appropriate answer for each question from the given alternatives that follows and write on the space provided for those open-ended questions which require your comment.

I thank you in advance for your time in filling the questionnaire.

Part I. Demographic Information (Please put a “✓” in the given box)

1. Gender

Male

Female

2. Age

Below 25

26 - 30

31 – 35

36 – 40

Above 40

3. Marital Status

Single

Married

Widow/ Widower

Divorced

4. Qualification

Diploma

Degree

Master

Medical doctor

Doctor of philosophy

If other, please specify _____

5. Year of service in AMREF health Africa Ethiopia

6 month-1 year

1 – 2 years

2 - 5 years

5 – 10 years

More than 10 years

6. Service years in your last position

1 – 2 years

2 - 5 years

5 – 10 years

More than 10 years

Part II. Please Rate the following statements and circle the numbers in the box accordingly

Strongly agree (SA) = 5

Agree (A) = 4

Neutral (N) = 3

Disagree = 2

Strongly Disagree = 1

S.N	Items	SD	D	N	A	SA
7	Intention to staff turnover					
7.1	I frequently think of quitting my job	1	2	3	4	5
7.2	I am planning to search for a new job during the next 12 months	1	2	3	4	5
7.3	If I have my own way, I will be working for this organization one year from now	1	2	3	4	5
8	Causes of Staff Turnover					
	A. Job Satisfaction					
8.1	You are satisfied with the existed working environment of AMREF health Africa Ethiopia	1	2	3	4	5
8.2	You are satisfied with AMREF commitment to provide you necessary things to perform your job	1	2	3	4	5
8.3	You are satisfied with the interpersonal relationship between employees of AMREF	1	2	3	4	5
8.4	You are satisfied with the unmatched position with the skill & knowledge you have.	1	2	3	4	5
	B. Payment and Incentive Factors					
8.5	The pay system of AMREF is based on performance appraisal	1	2	3	4	5
8.6	Inadequate salary and other benefits make you leave the organization	1	2	3	4	5
8.7	The rewards of incentives provided by the organization are based on fairness & performance	1	2	3	4	5
8.8	No hope of obtaining better benefit in the future make you leave AMREF	1	2	3	4	5
8.9	The availability of higher paying jobs outside make you leave the organization	1	2	3	4	5

8.10	Qualification and experiences are considered for promoting of employees	1	2	3	4	5
8.11	AMREF is impartial in providing benefits for all employees	1	2	3	4	5
C. Training and Development factors						
8.12	There is high training opportunity in the organization	1	2	3	4	5
8.13	Staff development program of AMREF is relatively strong than any other similar NGOs	1	2	3	4	5
8.14	In AMREF there are opportunities for staff promotion	1	2	3	4	5
D. Staff – Manager / Supervisors Relationship						
8.15	There is good relationship between managers and employees in the organization	1	2	3	4	5
8.16	Managers are fair, reasonable and supportive for employees.	1	2	3	4	5
8.17	Providing orientation for new employees could reduce anxiety and created positive attitude towards AMREF	1	2	3	4	5
8.18	Your inputs are appreciated in the organization	1	2	3	4	5
8.19	You are valued in the organization	1	2	3	4	5
8.20	The top management allows employees to participate in decision making	1	2	3	4	5
8.21	You have a sense of belongingness to the organization	1	2	3	4	5
9.	Organizational Performance					
9.1	AMREF has brought meaningful change in making the pregnancy safe for women	1	2	3	4	5
9.2	AMREF has been effective in creating reproductive health access for community members	1	2	3	4	5
9.3	AMREF is known in creating safe water access for the target	1	2	3	4	5

	community members					
9.4	Contribution of AMREF in improving hygiene and sanitation of community members is significant	1	2	3	4	5
9.5	AMREF provides quality health services in improving the lives of disadvantaged women and children	1	2	3	4	5
9.6	AMREF has become effective in reducing the spread of TB, HIV and malaria	1	2	3	4	5
9.7	AMREF keeps working in strengthening the health system of the country (Ethiopia)	1	2	3	4	5
10.	Employee Retention Strategy					
10.1	AMREF offers guarantee for job security	1	2	3	4	5
10.2	Existence of promotion opportunities in AMREF	1	2	3	4	5
10.3	AMREF has created suitable working environment	1	2	3	4	5
10.4	AMREF applies job rotation and new assignments for employees	1	2	3	4	5
10.5	AMREF helps staffs in career development	1	2	3	4	5
10.6	AMREF has committed for staff training and development program	1	2	3	4	5
10.7	AMREF practices rewarding and recognition for good performer	1	2	3	4	5
10.8	AMREF provides attractive fringe benefits for staff members	1	2	3	4	5
10.9	AMREF has created opportunities for employees to participate management activities	1	2	3	4	5
10.10	AMREF keeps evaluating the effectiveness of the existed employee's retention strategy	1	2	3	4	5

11. Concerning Motivational factors of employee

11.1. Does AMREF have motivational mechanism? Yes No

If your answer is “yes” please describe the motivational mechanisms of the organization

12. If you have any other comment or different answer, please write here under (by citing the Question No.)

Interview Questionnaire

HR Officer, Finance Manager, M&E Manager and Program Managers

Questions

1. Would you tell me your position in the office?
2. How long have you served in this organization?
3. Is management aware about employees' turnover in the organization?
4. What is the status of staff turnover in the organization?
5. Do you think staff turnover has impact on the organizational performance? If yes, what are those impacts and how do they influence the organizational performance?
6. What is your view regarding the causes (reasons) of staff turnover at AMREF? (in detail)
7. What costs AMREF incur due to staff turnover? (required supporting document)
8. What do you say about the managers-employees relationship in the organization? Do you provide orientation for new employees?
9. What do you say about the attitude of management towards employees?
10. Do you document exit interviews whenever employees leave the organization voluntarily?
(only for HRM)(required supporting document)
11. Do you use performance appraisal in the organization? How it is practiced?
12. Do you give recognition for best performer employees?
13. What motivational mechanisms do you use to express your recognition?
14. What motivational mechanisms are there in the organization to reduce staff turnover?

