ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

THE ASSESIMENT OF STAFF TURNOVER AT PHARMACUTICALS FUND AND SUPPLY AGENCY (PFSA)

BY

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ADDIS ABABA, ETHIOPIA

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LIST OF ABBREVIATIONS/ ACRONYMS

PHARMID: Pharmaceuticals and Medical Supplies Import and Distributer Share Company

PFSA: Pharmaceutical Fund and Supply Agency

SR: Separation rate

E.C: Ethiopian Calendar

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ABSTRACT

The main purpose of this study was to assess the causes of staff turnover in Pharmaceutical and Fund Supply Agency (PFSA). The methodology used in this study is descriptive with quantitative and qualitative research approach. Likewise, purposive sampling technique was used to select the sample size from the population. For data collection technique, questionnaires and interview were utilized. Descriptive statistics such as percentage, frequency and cumulative percentage were employed for data analysis. The main finding indicated that low salary, poor governance or mismanagement, insufficient benefits and allowance, job dissatisfaction, lack of belongingness and poor training and development opportunity are major causes for high staff turnover respectively. Moreover, the findings have showed high staff turnover resulted high recruitment and training cost which is unnecessary expense on the organization. Similarly, staff turnover has resulted loss of productivity as experienced employee left the organization extra burden would be created on the staff and this lead to impediment on the service delivery of the organization. Thus, to overcome such problems the organization should pay due attention on the basic causes for employee turnover. First foremost the higher management officials must try to improve the salary and other benefits of the employee to retain them in the organization.

Key words: *Staff Turnover, Employees, Retention*

CHAPTER ONE

INTRODUCTION

This chapter tries to address the background, the statement of the problems, the research questions, objectives, significance, and scope, definition of key terms, limitation and organization of the study.

1.1 Background of the Study

Human resource is the most fundamental and decisive asset to achieve the mission and vision of an organization. Though an organization may have plentiful materials and financial resources, the institution is lifeless unless it converts some sort of outputs from one form to another with the effort of people. This depicts the fact that human resources can mobilize, organize and utilize resources to realize organizational goals and objectives.

Human capital is considered to be the center of all the development process of any organization. All over the world, organizations have been trying to protect staff turnover. Most organizations around the world are concerned with high employee turnover ratio as it is a costly expense to the organizations. Employee turnover can be extremely devastating for any company as it takes its toll on well experienced workers. Hence, losing a single worker can decrease the likelihood of a project's success and can reduce investors confidence in the firm (Samuel and Chipunza, 2009).

Scholars like Martin (2003) state that staff turnover affect both the employees and the organization. When an employee left an organization and joins another in the first place there is experience disruption; he/she is forced to learn new staff members and work environment. The organization may lose experienced workers who could contribute more for the success of the organization. Besides, organizations may incur high costs for hiring and training expenses.

Thus, as staff turnover is considered to be a serious problem for the success of the organization, it needs to overcome this serious problem. To retain staff turnover, Walia and Bajaj (2012) suggest that an organizations must provide conducive working environment to employees in the form of income and other incentives to enhance work place satisfaction. In other words, these scholars argue that an organization must provide employees with

intrinsic/extrinsic rewards and opportunities for their career development so as to guarantee their satisfaction, loyalty, and hence ensure employee retention.

Similarly, salary increment, benefits, career development and many different forms of fringe benefits have to use to attract, retain, and motivate employees and achieve organizational goals (Barber and Bretz, 2000). The career development policy of an organization may be used specifically to retain employees as well as create competitive advantage that reduces turnover rates.

Clarke (2010) states that discordant alignment between what employees needed and organizational objectives most often leads to dissatisfaction and eventually employees' turnover. Dissatisfactions in their workplace or by domestic circumstances, family reallocations and poor relationship with the management can also be reasons for the employees to leave their jobs. Some Scholars argue that it is relatively rare for employees to leave jobs in which they are happy even when they are offered with higher salary elsewhere. It shows that employees prefer security of their jobs to attractive payments.

In many Ethiopian organizations, employees' turnover happens due different causes, such as lack of fair salary increment, lack of good governance, experience gap between old staffs and new employees, lack of modern working system and environment, and lack of good work nature and service.

Pharmaceutical and Fund Supply Agency (PFSA) is victim to the above stated staff turnover problem. Rate of employees' turnover is very high in this organization because of reasons the researcher put on the above and others problems.

1.2. Statement of the Problem

When employees with best experience, skills and knowledge leave the organization, it reduces the quality of the service, influence the moral of the remaining employees, force the organization to financial expense and even increase work load to the remaining workers.

Research conducted in different organizations reveal that low salary and poor management systems are some of the serious and major cause for employee to quit their jobs. In this regard, Zuber (2001), argues that employees are more likely to stay with an organization

when their salary scales, benefits, good management style, career growth prospects, good working environment are guaranteed. If the organization has created good working conditions, the employee feel satisfied and they stay in their jobs. Thus, to maintain the productivity of the organization in general and in PFSA in particular, controlling employee turnover is a primary issue.

In PFSA, employee turnover is a serious problem. As the information revealed in the following table, the number of staff turnover from 2003 to 2007 were 44.6%, 41.2%, 39.2%, 23% and 24.8% respectively. The total average growth rate of staff turnover is 34.8%. Hence, the data reflects PFSA is facing a frequent staff turnover. In the last five years, number of staff members who were hired was 1069 and while in the stated period of time 313 staff members were quit their job. The researcher has interested to find out major causes of employee turnover in PFSA.

Table 1.1 PFSA's Employee Turnover Rate in the Past Five Years

Fisical Years (E.C)	Total No.of empl yees	No. of staff employees who are hired			Growth Rate of staff employees who are hired		No. staff employees who Quit their job			Turnover rate	Growth Rate of staff employees who Quit their job	
		M	F	T		%	M	F	T	%		%
2003	725	31	25	56	2003/2004	73.2	17	8	25	44.6	2003/2004	60
2004	872	60	37	97	2004/2005	86	31	9	40	41.2	2004/2005	77.5
2005	960	135	46	181	2005/2006	88.3	51	20	71	39.2	2005/2006	9.8
2006	1227	243	98	338		16.3	56	22	78	23	2006/2007	26.9
2007	1523	311	83	398	2006/2007		77	22	99	24.8		
Total		780	289	1069			232	81	313	29.2		34.8

Source: PFSA Human Resource Department

The data in the above table shows there is high turnover in PFSA. The organization has been busy at hiring employees.

$$\frac{\textit{Total number of leavers over period}}{\textit{Average number of staff employed over period}} \; X\ 100 = \textbf{Turnover Rate}$$

$$313/\ 1069\ x\ 100 = \textbf{Turnover rate}$$

$$29.2 = \textbf{Turnover rate}$$

Thus on the following total turnover rate is 29.2 as per Amy(2009) turnover rate formula. According to Ministry of Public Service, the accepted staff turnover rate is 6%. But PFSA's turnover is 29 % which is nearly fivefold of the accepted staff turnover rate. This result turnover rate in PFSA motivated the researcher to find out the causes of high staff turnover by conducting study.

1.3 Research Questions

The following are basic questions of the research:

- What are the major causes for staff turnover?
- What strategies has PFSA designed to minimize staff turnover?
- What is the effect of the turnover on PFSA?
- Which areas of responsibilities are more vulnerable to employee turnover?

1.4 Objectives of the Study

The objective of the study includes both general and specific objectives.

1.4.1 General objective

The general objective of the study is to find out the major causes of staff turnover at PFSA.

1.4.2 Specific objectives;

1. To examine the major causes of staff turnover
2. To assess how the organization reacts to staff turnover
3. To evaluate the effects of turnover on the performance of the organization
4. To identify vulnerable area for employee turnover

1.5 Significance of the Study

For any organization, employee turnover is a serious problem. It results a high cost for organizations regardless of the level of wages being paid to the departing employees. In this regard findings and the recommendations of this study would be useful to PFSA to mitigate the causes. It also enables to ensure stable and well-motivated employees in the organization. The findings of this research project would also help as a source of reference and a steppingstone for those researchers who want to make further study on the area of employee turnover. Finally it would give the researcher the opportunity to gain deep knowledge on the causes of employee turnover at the organization.

1.6 Scope of the Study

The study is focused one of the prominent issues in HRM, which has staff turnover at PFSA. PFSA works across the country through its 17 branches. However, this research has only focused only on the head office because it is not manageable to cover all branches in terrns of time and cost constraint. Moreover, the study covered only five years voluntary staff turnover.

1.7 Limitation of the Study

The main limitation of the study was it is focused only on the major causes of employee turnover in PFSA. It was not cover the impact and effect of employee turnover productivity and profitability in detail.

1.8 Definition of Key Terms:

The following key terms are defined are they are used in the study.

Employee Turnover: - An employee left an organization and joins another. Martin C(2003).

Line-staff:- is the staff members that caring out the mission given by the government (pharmacist)

Supporting staff: - is the staff members that assist the line staff to accomplish the mission of the organization. (E.g. finance).

1.9 Organization of the study

This research paper is organized in to five chapters. The first chapter deals with the background, definition of key terms, statement of the problem, research Question, objectives of the study, scope of the study, significance of the study and limitations. While, the 2nd chapter focuses on review of related literature. Chapter three the research design and methodology that includes research design and approach, data sources, population, sampling and sampling techniques, data collection methods and ethical considerations. Chapter four is data, analysis and interpretation which include demographic characteristics, data analysis pertaining of the study. While the last chapter deals with the summary of major findings, conclusions and recommendations. Finally reference is presented.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

This chapter deals with theoretical literature, empirical review and conceptual frameworks.

2.1 Theoretical Literature

2.1.1 Definitions of Employee Turnover

Different scholars have been defining the phrase employee turnover. As the entire process associated with filling a vacancy when a position is vacated; either voluntary or involuntary a new employee must be hired and trained. This replacement cycle is known as turnover (Woods, 2007).

Similarly Hom and Griffeth (1994) describe employee turnover as a voluntary termination of members from organizations. They depict that staff turnover is the proportion of staff leaving in a given time period but prior to the anticipated end of their contract. Turnover is the ratio of the number of organizational members who have left during the period being considered divided by the average numbers of people in that organization during the period (Price 1977).

Abassi and Hollman (2000) also define employee turnover as the rotation of workers or the employees of an origination around the labor market, between firms, jobs and occupations; and between the states of employment and unemployment. In an organizational view, turnover can be defined as the termination of an employee's formal contract through organizational career path, which is composed of a sequence of job changes from job entry to exit. Overall all the above definitions have embraced nearly the same there related to employee turnover..

2.1.2 Types of Employee Turnover

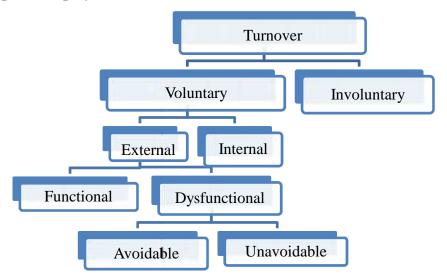According to David (2008), employee turnover has been categorized as voluntary and involuntary, functional and dysfunctional, avoidable and unavoidable, internal and external. He further tries to elaborate them as follows:

A. Voluntary and Involuntary:- voluntary employee turnover is initiated by the employees. When the employee prefers or intends to leave the organization by him/her self. While

involuntary are occurs when employee has no choice in the termination process. It can result from varies situation like; dismissal, retirement, disability, changing locations etc.

B. Functional and Dysfunctional: - dysfunctional turnover is the exit of employees from the organization whose high performance could not be replaced easily with the same skills and it affects the organization's workforce as a result it causes high turnover cost. Functional turnover is the existence of poor performers whose talents can be replaced easily.

C. Avoidable and unavoidable: - avoidable turnover is a kind of turnover which an organization can control the causes that contribute to employee turnover. For example, employees who leave the job because of low job satisfaction, problems of mismanagement, benefit packages, etc can be retained through improving the stated administration problems Unavoidable employee turnover is the kind of turnover which an organization has little or no power to control the causes that contribute to employee turnover (David, 2008).

D. Internal and external turnover: - internal turnover is the time when employees leave their current job and get new position within the same organization. External turnover happens when employees quit their current job and join other organization (Flex, 2012).

Type of Employee Turnover

Source: - Fig 1.1 Understanding and addressing staff turnover in humanitarian agencies (Loquercio, Hammersley and Emmens, 2006).

2.1.3. Causes of Employee Turnover

Some researchers have tried to identify causes of employee turnover in some Ethiopian organizations and they point out some causes of employee turnover like mismanagement, low benefit package including salary, lack of career advancement, lack of participation in decision making, improper training opportunity for Lack of team spirit among workers, and non flexible working condition are also reasons of turnover.

According to Yeneneh's (2002) research conducted on the Transport Construction Design Company, employee turnover can be caused by lack of good leadership, poor salary structure, job dissatisfaction, lack of training and developing job opportunities. Poor management, unsatisfactory benefits, lack of respect and recognition term senior staffs, lack of promotion opportunities and job insecurity are the causes to employee turnover.

Many employees in different industries leave their job because of multiple internal and external factors. Different researchers state that employees quit because of maltreatment by their supervisors, lack of trust, communication, lack of familiarity, unfair treatment of employee, low wage, among others.

Different researchers have tried to identify causes of employee turnover in an organization: job related, organizational, leadership style and characteristics of work environment and personal factors. Lets see each factor as follows:

A. **Training and Development Programs: -** training is defined as the process of conducting teaching and learning activities carried on purpose of helping employee of an organization to acquire and apply the knowledge, skills, abilities needed by the organization (Manoj, 2000). In other words training is an act of increasing the knowledge and skills of employees for doing a particular job.

Different researchers stated that inadequate training and development program that does not go in line with the specific needs of employees may led to job dissatisfaction. Regardless of their position and title, employees may be forced to leave their organization due to absence of training (Sadra, 2012). A survey conducted in Kenya sugar factory (Hannah, 2012) indicated that lack of training and poor training handling system was one of the major factors causing

employees to leave their organization. Hence, it has been found that the company had provided limited chance of training for its employees assigned in different work area.

B Job Satisfaction: - Henman et al (2000) defined job satisfaction as depending on an evaluation the employee make of the job and the environment surrounding the job. Job Satisfaction has long been thought to have a significant effect on job performance. Employee satisfaction has influence on employee turnover in organizations. The implication of this fact is that the extent to which an organization is able to achieve its objectives depends on the level of job satisfaction that is made available to its workers.

In its most basic sense, job satisfaction is a positive emotional state resulting from evaluating one's job experiences. Job dissatisfaction occurs when these expectations are not met. Commonly, noted facets are satisfaction with the work itself, wages, and recognition, rapport with supervisors and coworkers, and chance for advancement. Each dimension contributes to an individual's overall feeling of satisfaction with the job itself. When circumstances such as stated above as the nature of the job, supervisors and coworkers, pay levels, or the employee's own disposition cause the employee to become dissatisfied with the job and lead him to avoid the work situation physically, mentally, or emotionally (Noe & Gerhet 2003).

As researcher revealed, there is no simple formula for predicting a worker's satisfaction. Furthermore, the relationship between productivity and job satisfaction is not entirely clear. The critical factor is what employees expect from their jobs and what they are receiving as rewards from their jobs. Although job satisfaction itself is interesting and important, perhaps the "bottom line" is the impact that job satisfaction has on organizational commitment, which affects the goals of productivity, quality, and service.

C. Organizational Commitments: - if employees are committed to an organization, they are more likely to be more productive. Organizational commitment is the degree to which employees believe in and accept organizational goals and desire to remain with the organization. Research has revealed that job satisfaction and organizational commitment tend to influence each other.

What this finding suggests is that people who are relatively satisfied with their jobs will be somewhat more committed to the organization and also that people who are relatively

committed to the organization are more likely to have greater job satisfaction. A logical extension of organizational commitment focuses specifically on continuance commitment factors, which suggests that decisions to remain with or leave an organization ultimately are reflected in employee absenteeism and turnover statistics. Individuals who are not as satisfied with their jobs or who are not as committed to the organization are more likely to withdraw from the organization, either occasionally through absenteeism or permanently through turnover.

D. Salary and Benefits Conditions: - Herbert, et al (2000) states organizations salary level is a potentially important direct influence on voluntary turnover. Turnover depends on employee perceptions of the desirability and easy of movement. Employees seek to improve their employment conditions when they change job. Therefore, employees in an organization improve their pay level if they obtain a new job before the leave their job. In this knowledge era, where salary is one of a determinant factor, employees quits current job and accept the job with higher pay opportunity. Therefore, organizations critically aware that low wage rate will result into higher employee turnover and separation.

Salary is not the only reason for employee's turnover and separation but also, pay system whereby employees can be satisfied or dissatisfied with the organizations. Pay system based on the seniority of employees or per the performance appraisal. Employees are satisfied with existing pay system if they believed that rewards or incentives are paid based on fairness and considered seniority or performance evaluation of all employees (Herbert, Donald, John, & Lee, 2000).

With regard to job satisfaction, the pay level is the amount of income associated with each job is important. Employers seeking to attract another organization's employee often do so by offering higher pay. Benefits such as insurance and vacation time are important, but employees often have difficulty measuring their worth. Therefore, benefits influence job satisfaction; employees may not always consider them as much as salary itself (Noe & Gerhet, 2003).

Merit pay can play in attracting and minimizing employee turnover. Gedefaw (2012) on his research claimed that, salary and benefit were one of the major reasons for teachers'

dissatisfaction. Low level pay has made a significant impact on teacher's classroom performance and on the quality of education.

E. Leadership Style and Characteristics of Work Environment: - leadership style is one of the influential factors for employee to leave their job or intent to leave. The study conducted by Jane, Namusonge, & Mike, (2012) in public universities revealed that, unfavorable leadership practice was one of the basic reason for employees to leave.

Therefore, there is indispensable attention to the importance of leadership style to the operation of the organization in terms of minimizing employee turnover. Employees are one of the most valuable asset in the organization that leader to lead in a way that enhance employees motivation level for effective and efficient accomplishment of the organizational objectives such as productivity, profitability, and growth whereby at the ultimate minimizes staff turnover.

F. The Characteristics or Nature of the Job: - Some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment.

G. Career Development: - David and Stephen (2005) Career development is another leading factor that contributes to employee turnover and separation. It is defined as advancement. Career development is the pattern of work-related experiences that span the course of a person's life. Career development is a process through which the action plans are implemented. It is where individual career plans encounter organizational realities It is a guarantee for an employee to be promoted. Employee's commitment towards achievement of organizational goal will be developed by creating sense of ownership among the employee of the organization (Dessler, 2000).

Dessler (2000) affirmed that career development programs of an organization helps an individual in the organization to see himself and develop career potential. Therefore, workshop, and other skill assessment and career gap analysis are implemented to identify career-related skills and develop the need they require. Hence, structured and well function development plan encourage employees and enable them to have equal opportunity and make

themselves promotable at their firm. Organizations make the system easier for employee to choose and get lateral move. It also provides continues opportunity for each employee to grow, by learning new subject and meet new challenges there by foster commitment. Such a clear and equal opportunity in career development build sense of organizational ownership and minimizes employee turnover and separation (Dessler, 2000).

2.1.4 Strategies to Minimize Employee Turnover:

Reducing turnover in and out of employments for and organization is one of the most effective ways to bring about full use of continuity of employment of the local labor supply with more widespread use of improved personnel methods, including scientific aptitude test for selecting prospective employees, exit interviews, pension plans, and employment guarantees under specific conditions in collective bargaining agreements labor turnover rates can be reduced.

A. Choose Employee Carefully: - Reduce unrest by more precise selection and placement. People should be placed in jobs where they can achieve and a sense of personnel fulfillment and satisfaction that usually results in termination. This can be used whether employees have a job level below their skills or a job level above their skills that they cannot perform satisfactorily. Sometimes it is necessary to reduce or abandon skill, knowledge, and competence requirements. In such cases companies substitute requirements that will help obtain employees who can learn the jobs quickly and who are most likely to remain on the jobs once they are trained.

B. Use Good Supervision: - This is essential to ensure maximum use of labor and to help prevent excessive turnover and absenteeism. The supervisor reflects the company practices in the eyes of the employees. Inefficient and inequitable supervision gives employees a distorted picture of the company.

According to Charles Warner the first area for managers to address in trying to cut down turnover is their recruiting and hiring practices. They should consistently recruit and look for intelligent highly motivated, hardworking, independent people the best people they can find. Managers should place much more emphasis on training. The best managers are those who coach their people to become more productive, not those who merely direct people to do it.

When managers interview people, they often hire the first warm body that walks through the door just because of the urgency of filling an open slot. Hiring practices should include: Interviewing applicants at least three times before hiring, Having a preplanned, written guideline of the questions to ask all candidates for similar jobs (and asking the same questions in every interview),Taking notes on their responses, Writing brief evaluations after each interview, having some sort of objective, numerical ranking system for all candidates

Hickman & Silva list five blocks to sensitive management on the part of managers:- Assuming they know other's expectations and need without discussing them, Treating all employees the same regardless of individual differences, Viewing employees as tools or production units, not as people, Seeing employees as they once were and not recognizing changes or improvements , Believing employees should respond the way the managers would respond in the same situation.

To overcome these sensitivity blocks, Hickman and silva recommended the following: Sensitivity to people's security expectations and needs. Managers should dedicate themselves to their people's physical well being, environment, working conditions, compensation, supervision and benefits. Managers should fight for the best of all of these for their people.

Managers should conduct attitude survey to find out how employees feel about their work environment or have them to go to lunch and gripe anonymously to an employee they select and trust and who brings back to management their comments and criticisms.

Outside consultants can also perform this task quite well since employees often open up to outsiders. Sensitivity to people's belonging expectations and needs. Managers should involve themselves in scrutinizing the social interaction, group dynamics, team feeling participation in decision making and sense of family their people experience. Managers should create an atmosphere of mutual trust and respect. Sensitivity to people's recognition expectations and needs. Managers should evaluate thoroughly how and when their employees win formal and informal recognition via orals and written praise, promotions, bonuses, awards, honors, and other means. Managers much find creative, new ways to give people recognition.

Sensitively to people's quality of work expectations and needs. Managers should define the short of work expectations and needs. Managers should define the short of work people find

interesting, challenging and inspiring and find ways to match people with the tasks that are most satisfying to them.

Sensitivity to peoples self actualization expectations and needs managers should know their people well enough to know what their dreams are new age managers understand their employees dreams and show them how to achieve them through performance on the job. Most people dream of winning, so great managers must make everyone feel like a winner.

2.1.5   Effects of Employee Turnover on the Organization:

Understandably, employee turnover is expensive for an organization. Search of the external labor market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal training of the substitute until he or she attains performance levels equivalent to the individual who quit are replacement cost of employee turnover.26 Turnover also includes other costs, such as lost productivity, lost sales, and management's time that have negative effect on profitability of the organization.

(Yared 2007), on his research states that the organization has been incurred a huge amount of money in a year because of staff turnover. Accordingly, the institute was incurred costs for vacancy posting, medical checkup expense, telephone call for checking references, travel cost, costs related with orientation new recruited employees, relocation expenses and others which estimated to birr 202, 200.00. He also underlined other non-financial values that the organization has lost including, time spend by managers to review the employment process, loss of organizational memory, time and money spent for training of newly employed personnel until he gain the desired level of skills are other major factors that the institute have lost.

Voluntary turnover incurs significant cost, both in terms of direct costs (replacement, recruitment and selection, temporary staff, management time), and also (and perhaps more significantly in terms of indirect costs (morale, pressure on remaining staff, costs of learning, product or service quality, organizational memory) and the loss of social capital .

Job security takes away the fear which prevents total commitment of employees to the organization. The employment security debate rest upon the crucial question of how much value the company places on stability of employment within its overall philosophy. Whether

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organizations really believe that job stability gives the business a competitive advantage is determined by their rates of labor turnover, obviously, where job insecurity is the order of the day, employees tend not to give off their best at the workplace as they mostly live in fear of losing their job.

High turnover can lead to the loss of public confidence in the operation of the organization. Then, the survival of the organization becomes uncertain in public once. This problem exposes the organization to the loss of getting employee replacement of those left the organization. High labor turnover can be expensive although the actual costs are difficult to estimate. To get some indication organization can start by adding up the most obvious expenses those of advertising, recruitment and training together with the cost of associated management and supervisory time. The following factors can contribute to the overall cost of turnover and should be considered when determining the tangible and intangible costs of turnover.(Henry, 2007).

A. **Increased operating expenses: -** There are three basic areas of increased operating expenses. These are on job training, added labor (employees may spend extra time to make for the deficiency of new employees) and loss of productivity (time between the of deciding to quit and the actual time of quitting).

B. Increased over head Expenses: Organizations may experience an increase in accident insurance rate, due in part because accidents are expensive, and they most often are the result of new, inexperienced staff. With new and inexperienced employees and even skilled employees at new jobs as a major cause of accidents a good turnover control program can help to reduce accident insurance premiums (Mark, 2011).

C. **Additional over head Cost: -** When productivity decrease and over head cost remain constant, the cost per unit increases. This leads to added over head per unit costs, such as administrative costs, which are largely attributable to turnover. Some part of the cost of the following functions should be considered as due to labor turnover:

D. Employment office Expense: - including salary, rent, heat, light and supplies required in hiring and separating employees. Pre-job training costs, including staff over head and materials used in conducting pre-job training programs. Employee testing expense, including

salaries, equipment, over head and supplies used in conducting occupational tests for new employees (Henry, 2007).

2.1.6 Employee Retention Mechanism:

Employees are motivated by internal values rather than values that are external to the work. In other words, motivation is internally generated and is propelled by variables that are intrinsic to the work which Herzberg called "motivator". These intrinsic variables include achievement, recognition, the work itself, responsibility, advancement, and growth. Conversely, certain factors cause dissatisfying experiences to employees; these factors largely results from non-job related variables (extrinsic). These variables were referred to by Herzberg as "hygiene" factors which, although does not motivate employees; nevertheless, they must be present in the workplace to make employees happy. The dissatisfies are company policies, salary, co-worker relationships and supervisory styles (Brum, 2007).

Organizations and managers should think how to keep their employees on their work position by implementing several policies and options toward recruitment, selection, induction, training, and job design and wage payment in order to minimize employee turnover. Hence, as many writers show there are many ways of minimizing employee turnover. Some of them are as mentioned below:-

A. Rewards:- according to Zhou et al.,(2009), rewards system are mechanisms through which organizations show appreciation towards employees for their commitment, performance, skills, knowledge or loyalty towards the organization. For the purpose of this study, the research will focus only on salary and bonuses within the banking sector at Imperial bank. O'Reilly et al. (1980) uses intrinsic motivation theory to argue that banks rewards system significantly enhances employees' commitment to their organizations, or significantly enhances turnover rates.

Salary is the monthly payment an employee gets at the end of every month as payment for work done. Bonuses on the other hand are monetary rewards over and above the salary an employee gets at the end of the year. Most often, bonuses are based on organizations profitability, and an employee is rewarded based on the level of their contribution to the attainment of the profitability. It is a profit sharing mechanism with employees. Zhou, et al.,

(2009), argues that promotion is the upgrading in level of responsibility, salary and other benefits based on the level of employee's skills, knowledge, and their performance at the organization.

According to Foon, et al., (2010), salaries, bonuses and promotions are tangible rewards systems that can enhance or deter employee turnover in the banking sector. The extent to which employees are remunerated correlates with turnover rates within banks. The bank's policy on salaries, bonuses, and promotions must be professional, otherwise it will result in favoritism, and nepotism which precipitates employee disgruntlement resulting in employee turnover, particularly for the aggrieved employees.

Foon, et al., (2010), further argues that organizational reward system forms the bedrock from which organizations form basis for rewarding employees. When the reward system is perceived as punitive, employee turnover surges. Employees tend to leave the banking system to other organizations that do offer more competitive packages than organizations. However, organizations with perceived better rewards system do attract and retain employees, thus reducing the turnover intentions, and actual employee turnover.

According to Zhou, et al., (2009), organizations that don't foster reward systems that are structured on empirical and research do suffer from subjective rewards systems, rather than objective rewards system. Subjective rewards system is usually designed from a single prism, management prism. The desire of organizations under subjective rewards systems is to enhance profits and organizational performance at all costs. Most organizations consider salary as an adequate reward, and employees should be grateful they get paid. Further argue that objective rewards systems are designed to not only enhance organizations performance objectives, but also to advance employees goals. Some of the rewards employees consider objective include career growth opportunities, promotions, health facilities, pension facilities, bonus facilities among others. According to Mitchell et al. (2014), objective rewards systems constitute the intrinsic rewards.

Intrinsic rewards are basically the motivations that employees appeal to depending on their different stages and levels of needs and wants. The Maslow hierarchy of needs defines what most employees require as motivation. Organizations that are able to articulate employee's

hierarchy of needs have a higher rate of addressing them. Addressing employees needs leads to satisfied employees who subconsciously pledge their loyalty to the organization, and as a result, leads to a reduction in employee turnover. Organizations can enhance their rewards system by introducing incentives like medical covers for employees, fully paid for vacations, paid leave, paid study leave, flexi working arrangements and even promotions and recognitions. Managers who are astute at recognizing each employee needs and rewards them adequately have a higher rate of employee retention than managers who don't (Zhou, et al. (2009).

B. Salary or Remuneration: - according to Walia et al. (2012), salary and associated benefits are an integral factor that influence employee turnover. The major reason why people work is to have an income in order to fulfill their basic survival needs such as food, clothing and shelter. Satisfaction through income earned further leads to employee retention. In the banking sector, salaries offered to employees can easily form a competitive advantage for the bank enabling the bank to curtail any salary related turnover since the market would be unattractive to employees seeking to leave.

Researchers like Walia et al. (2012) contend that the most common cause of high employee turnover in banks is poor pay packages. Further, they argue that when an employee is paid lesser than the going market rate, the propensity for turnover are increased exponentially as they are constantly searching and seeking other banks who could offer better pay package. An employee working for a bank in a low-wage position with limited benefits has little to no incentive to stay with the bank. Conversely, Choi et al.(2012) argues by stating that while it is true that lower paying jobs experience high turnover, their turnover cost to the bank is negligible than employees in higher paying cadres.

Choi et al. (2012) further argues that banks should concentrate on employee retention strategies regardless of salaries. Franken (2012) on the other hand, holds to the view that employee turnover is as a result of salary scale; usually, employees quit or search for jobs that would pay them better than the previous ones. Franken weighs that argument that disparities with un-equal wage structures not only leads to demonization and poor performance, but also to employee turnover. Two or more employees performing the same

job duties, and responsibilities, but with differing salary rates usually breed discontent and turnover.

Usually an employees' salary is a way of communicating to the employee about their value. According to the theory of instrumentality, employees' remuneration is a source of power (Adeniji, Osibanjo, &Abiodun, 2013). It is important therefore, for banks to understand the correlation salary payments have with employee motivation and turnover (Franken, 2012). However, salary compensation must be designed properly to eliminate contentions, and office politics. This can be done through standardization or professionally designed grades.

Remuneration is the most common cause of the employee turnover rate being so high. Employees' value jobs that compensate them well. Companies that do not offer good salaries, tend to face the highest turnover. To avoid this scenario, companies should strive to be competitive enough in order to retain qualified and talented personnel. Unsatisfactory performance appraisals are also one of the reasons for employees leaving a company (Gupta, 2008).

Gupta (2008) affirmed that employees always flock to companies who offer more benefits. There are many employees who are not aware of the benefits that are provided to them in their compensation package. The employers need to reduce their bureaucratic procedures in order for the employees to receive the best available benefits without any difficulty. They should make a note of what all benefits other organizations are providing, which may attract their current employees (Gupta, 2008).

A study by Nelson (2009) found out that salary scale is the most common cause of the high employee turnover rate in many micro finance institutions in Africa. Employees are in search of jobs which pay well when microfinance institutions which they are working for don't offer good salaries; they tend to hunt for jobs that pay them considerably well. In order to resolve this problem, the employers should make it a point to offer salaries that would be competitive enough to retain and attract well-qualified and talented personnel. Unsatisfactory performance appraisals are also one of the reasons for employees leaving a company.

Abraham (2009) found out that employees always flock to companies who offer more benefits. There are many employees who are not aware of the benefits that are provided to

them in their compensation package. The employers need to reduce their bureaucratic procedures in order for the employees to receive the best available benefits without any difficulty. They should make a note of what all benefits other organizations are providing, which may attract their current employees.

Richard (2008) found out that the prime reason why many mid-level executives leave the organization is lack of potential opportunity for advancements or promotions; they prefer other companies which may provide them with higher posts and increased compensation packages. The companies need to evaluate and modify their promotion policies in a fair way which would enable promotions for candidates only on the basis of employee performance.

C. Bonuses:-bonus payments are annual or by-annual payments that organizations give to their employees as a token of appreciation for good performance. Bonuses are offered based on accounting performance of the organization. Some business organization does offer bonuses from time to time. The main objective of these payments is to enhance motivation and elicit loyalty and commitment to the organization (Murphy, 1999). According to Mitchell et al., (2014), however, some managers can arbitrary decide not to pay bonuses even in a good financial year. The disparity between the bonuses that are paid and those that are not paid, and those that are paid to top managers usually elicit disquiet and eventual turnover from staff who feel disfranchised despite their performance.

D. Recruit Suitable Employees: - if an organization wants to minimize employee turnover is should confirm that to assign the right people for the right position. In other hand organization should work to attract people who might make a contribution to the effectiveness of the organization. When organization carefully works on recruitment process with an expertise other workers of the organization, employees will stay to stay long at the organization (Mark, 2011).

E. Transparency or Communication: - staff turnover can also have a negative impact on other employees by disrupting group socialization processes and increasing internal conflict, which can lead to triggering additional absenteeism. In addition, the interpersonal bond that is developed between employees is central to the communication patterns that are characteristic and unique to any organization. People grow professionally and personally, and

good employers are able to accommodate these changes in the circumstance. A highly satisfied workforce is far more capable of meeting organizational goals and customer needs than an apathetic and uninspired one (Martin, 2005).

Employers who communicate regularly with employees lessen the risk of creating a workforce that feels undervalued and unappreciated. Keeping employees informed about organizational changes, staffing plans and fluctuating business demands is one way to ensure employees remain with the company. Neglecting employee concerns about job security through lack of communication or excluding employees from discussions that can affect their job performance, such as policy or procedural changes, negatively impacts the way employees view their employer. Their views transform to dissatisfaction and finally low productivity due to low morale and disengagement (Miguel, 2008).

F. Empowerment of Employees: - when organization delegate more decisions to their subordinates it encourage them to do their job effectively and decide to stay in the organization. Therefore, the organization should empower the employees to minimize turnover. The points mentioned in the above on employees' retention are there, In addition to these managers must implement proper hiring practices, managerial style, giving recognition to employees, developing competitive compensation system in the organization and create suitable workplace environment.

G. Working Environment: - according to Linda (2002) one of the largest factors that determine employee turnover rates is the workplace atmosphere. Employees need to feel respected and important to the business, as opposed to expendable. How managers and supervisors behave towards employees is of particular importance, since many employees will have to deal with management on a daily basis and may rely on them for workplace reviews, raises, and requests for vacation or sick leave. Training managers to treat employees with respect and conduct business in a transparent manner can be a major factor in keeping good workers on the job.

These are some of the principal causes of employee turnover which can surely be avoided by the organizations after taking some necessary steps to better their in-house services towards employees. However, there are many more causes which contribute to employee turnover;

such as lack of employee motivation, work pressure, job stress, partiality and favoritism, employee egos and attitudes, poor employee management, etc (Edwin,2005).

A study by Trevor (2004) found out that work environment is one of the main causes for employee turnover. Employees prefer to work in an environment which is suitable for them. This is the most common reason why they jump from company to company in just a few months. If they find an appropriate work environment in a specific company, they may work in the same organization for several years.

H. Training: - according to Robert (2006) continual training and reinforcement develops a work force that is competent, consistent, competitive, effective and efficient, beginning on the first day of work, providing the individual with the necessary skills to perform their job is important. According to Fredrick (2010) before the first day, it is important the interview and hiring process expose new hires to an explanation of the company, so individuals know whether the job is their best choice.

Networking and strategizing within the company provides ongoing performance management and helps build relationships among co-workers. It is also important to motivate employees to focus on customer success, profitable growth and the company well-being. Employers can keep their employees.

Informed and involved by including them in future plans, new purchases, policy changes, as well as introducing new employees to the employees who have gone above and beyond in meetings. Early engagement and engagement along the way, shows employees they are valuable through information or recognition rewards, making them feel included. When companies hire the best people, new talent hired and veterans are enabled to reach company goals, maximizing the investment of each employee. Taking the time to listen to employees and making them feel involved will create loyalty, in turn reducing turnover allowing for growth (Baker (2007).

Johnston (1997) argued that organization that is not committed to employees' skills development discourages exposure of employees to career development programs and this contributes to realization of increased staff turnover. Regardless of company leadership, employees have the primary responsibility to make sure their career development goals

proceed how they want them to. Typically, employees assess what they want from their job currently, as well as in the future.

Employees often work with their supervisors to figure out what training, professional development, or continued education options are available to them. Sometimes, career development is explored by people who are not employees of a business. Instead, these people might be interested in creating a set of guidelines to help them to choose a career and get hired by a desired company. This typically involves a self-assessment in which a person usually considers things that he or she is naturally good at or has experience in. Organization that sponsors employees to attend seminars and short term courses outside the organization provides employees with an opportunity for career development.

2.1.7. **Mentoring and Employee Turnover**

In mentoring, various researchers have argued that employees relation with the supervisor, performance appraisals and working conditions adversely influence the propensity for employee turnover like (Levenson et al. (2006) indicates that there is a significant correlation between mentoring and employee turnover.

According to Richard et al. (2009) mentoring is a reciprocal, usually long-term relationship that exists between employee and mentor. The mentor contributes by sharing their career life, challenges, opportunities, their expertise, role development, and offers formal and informal support with intention to influence the protégé career Levenson et al. (2006). Researchers who have studied the mentoring and employee turnover argue that there is a significant correlation that needs to be explored further.

As to Levenson et al. (2006), organizational structures that embrace mentoring programs usually give a sense of progressive career structures than those that do not. The argument that for an organization to foster, attract and retain employees, they have to ensure that employee development is paramount in their objectives. One of the ways this can be done is through institutionalization of mentoring and coaching programs.

Jones and McIntosh (2010), argument by asserting that there is a significant relationship between employee coaching and mentoring and employee turnover at organizations. The

precept for the argument is built on the premise that satisfied employees are committed employees (Levenson et al., 2006). Committed employees are loyal to organizations objectives, Richard et al., (2009) contends that mentorship and coaching develops lasting relationship that quenches hostilities between supervisor and employees, or manager and employees, thereby establishing a conducive working environment that reduces turnover.

A. Employee Relationship with Supervisor: - Richard et al., (2009) argue that there is a significant correlation between office relationships between employees and the supervisor. There are cases where supervisors can be cruel in the manner in which they assign responsibilities, work, or the way they micro- manage employees. Such toxic environments create sufficient reason that leads to employee turnover.

Thomas and Tymon (2009) research on millennial employees argue that millennial do often want supervisors who can empower them for greater success in their careers. Failure to fulfill this condition, banks finds themselves shrouded with cases of disgruntled employees that leads to high turnover. Various other researchers like, Choi et al., (2012) found out that employees perception of the nature of supervisory support had a direct impact on turnover intentions, and eventual turnover of employees from their organizations. An argument can therefore be made that supervisors' knowledge in guiding, shaping and transforming employees as well as their perceived attitudes and behavior towards employees' have a significant impact on employee turnover.

B. Performance Evaluations: - performance evaluations usually provide employees feedback and opportunity for mentoring with their supervisors. Performance evaluations provide sufficient opportunity where employees get to establish their work plans, objectives, and goals under the tutelage of their supervisors. Cleveland et al.(2003) argues that if employees perceive that the kind of evaluations are skewed negatively towards them, or that they don't get sufficient feedback from their supervisors on expectations, performance, and goal setting, employees get frustrated. Frustrations with the performance evaluation system have a significant relationship with employee turnover. Failure to have employee performance evaluation discrete can be the source of acrimony between employees and their supervisors who are to have oversight and mentorship role over them.

The degree to which employees perceive fairness in the appraisal system and the rewards accrued to it determines their organization commitment or turnover intentions (Franken, 2012). Some researchers argue that appraisals determine job satisfaction levels, which eventually translate into turnover of employee or their commitment to an organization.

The primary purpose of appraisals is positive performance inducement. It does not necessarily induce the desired effect of inducing the performance and growth desired, but instead, apprehension, demonization and employee turnover. Similarly, as had been argued that unfairness in performance appraisals negatively impacts the attitude of employees' commitment to banking institutions.

Several research such as Peon (2004) and Franken (2012) indicate the existence of a strong relationship between how mentoring process in conducting performance evaluations influences employee turnover in the banking sector.

2.1.8 Measuring Turnover

The chartered Institute of personnel and development (CIPD) in the United Kingdom developed a simple and most common way of measuring employee turnover. The method, according to the CIPD (2007) is to measure the number of leavers in a period as a percentage of the number employed during the same period, usually on a quarterly or annual basis. This is sometimes called the Separation Rate (SR). This is expressed as follows:

Turnover is a ratio comparison of the number of employees a company replaces in a given time period to the average number of total employees (Amy, 2009).

The commonly formula to calculate turnover rate of a given period is=

$$\frac{\textit{Total number of leavers over period}}{\textit{Average number of staff employed over period}} \; \textit{X 100}$$

2.2 Empirical Review

Some study shows that turnover is likely to be higher in larger, centralized organizations and there is also a higher turnover in urban areas then rural areas and the most common reason for staff turnover are: promotion, lack of career and development opportunity, change of career level of pay and lack of support from line manager. A research conducted by

Asmamaw Argeta (2001) on MOFED shows that 80.8% of the respondents said they were not satisfied with their incentives.
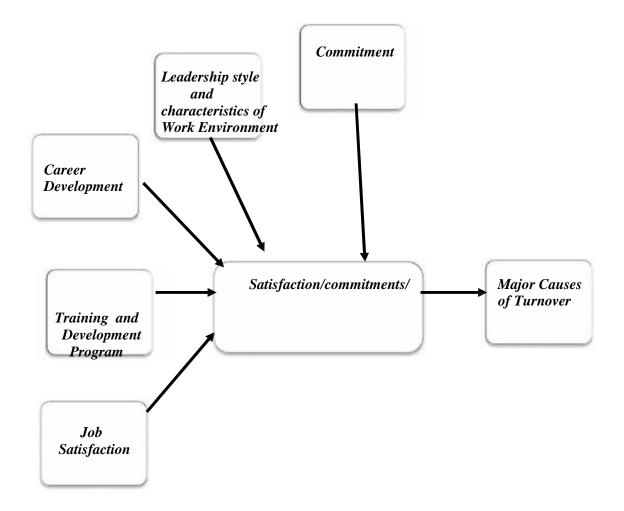
Asmamaw (2001) further shows 70.8 % of the respondents side there were not satisfied with their current motivation packages. Respondents strongly agreed that good manager employee relationship can cause core employee to be retained. About 81.2% of the respondents were not satisfied with the mode of selection for training and development has lead to feeling of inequity, demonization and labor turnover.

Asmamw states that management of the organization is committed to provide everything that employee's need for work. The study shows unattractive financial issue, poor management regarding performance based position, and problem of the management in providing clear path for employees to advice their career.

Most employees the organizations have no sense of belongingness to the organization so interpersonal relationships in the organization are not attractive. Disciplinary measures of the organization are not properly laid down. Managements of the organization is not impartial for overall benefits of the organization; supervisors of employees have not arranged flexible working condition. Higher officials of MOFED do not allowed employees to participate in decision making process. As the Ex-employees gained nothing while they were at MOFED and most ex-employees believe in conductive working environment of the organization. So most ex-employees left organization because low salary and other benefits packages.

2.3 Conceptual Framework

The reviewed literature leads to formulate a research model. So, the conceptual framework of the study.

Source:=- Interdisciplinary Journal of contemporary Research in Business Vol. 4, No.9, 2013

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the research design and methodology of the study: it entails the methods and procedures that enables to assist the researcher in identifying the sources of data, the sampling method to be used, the sampling design and sample size. It furthers these to show the data collection methods employed techniques, instruments and procedures. It also explains the data analysis, interpretation and presentation methods.

3.1 Research Design and Approach

As Miller and Brewer (2003:192) describe it, methodology connotes a set of rules and procedures to guide research and against which its claims can be evaluated. They also underscore the importance it has in the construction of all forms of knowledge. Based on this fact, the study adopted a descriptive research design since the study intendeds to gather both quantitative and qualitative data that describes the nature and characteristics of the impacts of employee turnover.

According to Sekeran (2003), descriptive research design is type of design used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. The major purpose of descriptive research is description of the state of affairs as it exists at present. The study considers this design appropriate since it employs gathering of reliable data describing the true causes of employee turnover in the organization.

3.2 Data Sources

In order to gather data from relevant sources the researcher has used both primary and secondary data sources. Primary data are data gathered by the researchers for the specific purpose of addressing the research problems. While secondary data are data collected from different documents and other related profiles. In this case, the primary data was collected though questionnaire and interview.

3.3 Population, Sampling and Sampling Techniques

3.3.1 Population of the study

According to PFSA Human Resource & Management Department, The total target population of the research is 313 employees who left the PFSA in the last five years. From the total target population. 211 or 67.4% were line staff members (Pharmacist) the rest 102 or 32.6% were supportive staff members.

Table 3 .1 PFSA Staff Turnover Division

Category	*2003-2007E.C employees who left the organization*	*Percentage*
Line staff members (Pharmacist)	*211*	*67.4*
Supportiveg staff members	*102*	*32.6*
Total	*313*	*100*

Source: PFSA Human Resource Department

3.3.2 Sampling Techniques

It has become difficult to select the sample size in random sampling technique as it has become difficult to collect ample data about ex-employees who left the organization. Thus the researcher has opted to select ex-employees in purposive sampling method.

Purposive sampling is a type of nonrandom or non probability sampling method which involves the use of the researcher's knowledge of the population in terms of research goals (Dattalo, 2008: 6). He further describes purposive sampling used to select participants based on their willingness to be studied or on their knowledge of a particular topic. Therefore, the samples (the questionnaire, interview and the documents) used in this research were selected in a purposive sampling method.

3.3.3. Sample Size

Samplings is process of choosing a smaller and more manageable number of people to take part in the research process and represent the whole of the research population. Among the different methods of sample size determination, the one which is developed by Carvalh (1984)is used to determine the number of respondents included in the study for existing employees. The researcher used nearly high sample size for 313 ex-employees population. Accordingly 70 respondents were selected by the table blow.

Table 3.2 Carvalho Sample Size Determination

Population size	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	**20**	**50**	**80**
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-45000	200	500	800

Source:- carvalho 1984

3. 4 Data Collection Methods

The study is anticipated to generate both quantitative and qualitative data. Thus, descriptive statistics data analysis method will be applied to analyze numerical data. In other words, data are analyzed and interpreted using both qualitative and quantitative techniques which includes descriptive statistics and percentage method.

The researcher employees three data gathering methods in order to gather the relevant data. . questionnaire, semi - structured interview and document analysis. According to Kothari (2003), questioning method assists in collection of accurate and reliable information since respondents answer questions freely without any influence. Moreover, questionnaire provides ample time for the respondents and it enables to get reliable data.

In this case, close ended and open ended questionnaires are used to provide representative sample from large population. The necessary data for this study was collected from both primary and secondary sources. The primary data was collected through questionnaires and interviews.

Semi - structured interviews is one of the most common qualitative methods. In this research, semi-structured interview was used as a main tool to gather data from key informants. Secondary data will be gathered from documents of PFSA Human Resource Department.

3.5 Procedures of data collection

The researcher collected both primary and secondary data for this study. The researcher collected primary data at source while secondary data was collected from published reference materials such as reports and journals.

3.6 Data Analysis Method

In order to analyze the quantitative data obtained through questionnaire, first the data were tabulated analyzed and interpreted by using appropriate statically tools (descriptive staastics) like frequencies, percentage and average percentage by the Statistical Package for Social Sciences (SPSS) Soft Ware Version 20.0 was e employed. The data gathered through Semi - structured interviews and documents analyzed qualitatively

3.7 Ethical considerations

Regarding ethical consideration an attempt were made to ensure all respondents to keep their identity and responses as confidential in order to all the information to be given in full confidence. The questioner was distributed based on willingness of each respondent. In addition, the purpose of the questionnaire and interview were clearly indicated beforehand with questions.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter deals with data presentation, analysis and interpretation. It includes two major sections. The first section tries to presents the demographic features of the respondents while the second section discusses the results and implications of the findings.

4.1 DATA PRESENTATION

Demographic Characteristics of Respondents

Before analyzing the collected data, it is necessary to present the demographic character of the respondents: such as age, gender, marital status, educational and, job position and service year in PFSA.

Table 4.1: Demographic Characteristics of Responds

Variables	Measurement	Ex- employee	
		Frequency	Percent
Age group	Below 25	5	7.14
	25-30	20	28.6
	31-35	20	28.6
	36-40	15	21.4
	Above 40	10	14.3
		70	100
Gender	F	31	44.3
	M	39	55.7
		70	100
Marital status	Single	40	57.1
	Married	30	42.9
		70	100
Education	10/12+2	3	4.3
	10/12+3	4	5.7
	Diploma	11	15.7
	Degree	30	42.8
	Masters	22	31.4

	PhD	0	0
		70	100
	Managerial level	2	2.8
	Coordinator	5	7.1
Position	Line staff officers	36	51.4
	Fin&Adm.officer	19	27
	Others	8	11.4
		70	100
	less than 1 yrs	2	2.8
	1-2 yrs	10	14.3
Service year in	3-5 yrs	20	28.6
PFSA	6-10 yrs	24	34.3
	Above 10 yrs	14	20
		70	100

Source: Own Survey 2016

The information in the table showed that the majority age group is from 25 to 35 years old which accounts 78 % of the population. The next larger number age group is from 36-40 years old which represents well experienced respondents. The table shows there is male predominance. It was55% are males while the rest are females.

Regarding educational status, most respondents are first or second degree holders which respondents 70% of the sample population. In addition, most respondents' educational background is pharmacy and they are working in stock and distribution.

As the organization is pharmaceutical materials and medicine importer and distributer, most line staff employees are pharmacists in their profession. Regarding their service year, particularly in the organization, the majority have between three to ten years services. In most cases, many employees have developed the necessary skills and they start to search another job to get better income.

4.2 Data Analysis Pertaining to the Study

This section deals with analysis and interpretation of the data gathered from ex-employees of PFSA through the distribution of questioners and interview conducted

with ex-manager. The Statistical Package for Social Sciences (SPSS) Soft Ware Version 20.0 would be employed. Hence, the analysis and interpretation of the data would be presented after each table accordingly.

4.2.1 Data Analysis pertaining to information gathered through questioners

Table 4.2.1: Ex-employee Opinion about Salary and other Benefits

S/N	Statements	Measurement	Response				
			SD	D	ASW	A	SA
1	Low salary was the reason I leave my job	Freq.	0	10	4	32	24
		Perce	0	14.3	5.1	45.7	34.3
2	There was no transparent reward system based on performance in the organization	Freq.	0	2	11	27	30
		Perce	0	2.8	15.7	38.6.	42.8
3	Low benefits and allowance were the reasons to leave my job	Freq	0	9	13	28	20
		Perce	0	12.9	18.6	40	28.6
4	I left because my payment was not equal to other employees	Freq.	0	0	13	30	27
		Perce	0	0	18.6	42.8	38.6.
5	I left because I felt that I was not well paid taking into account my experience, responsibilities and educational qualification.	Freq	0	0	0	2	68
		Perce	0	0	0	2.8	97.2

Source: Own Survey 2016

The table revealed that the majority or 80% of the respondents suggested that low salary is the cause for high employee turnover in the organization. While, 14 % of the respondents replied that salary was not the cause.

UN 2012 Report showed that, even when compared with other developing African nations, Ethiopia's scale of remuneration is relatively very low. Besides, it is very common in Ethiopia to encounter a minimum of 10 % annual inflation (Ethiopian Government Annual

Report 2008 E.C). But in most government organizations including PFSA, there is no consistent or comprehensive annual salary increment. Thus, most employees are striving hard to cover their basic needs like food, shelter, clothing, transportation, school fee for their children, medication etc.

A survey conducted by government in 2004- 2005 E.C showed that more than 60% of a middle income government employees' salary is budgeted to basic necessities i.e. food and shelter. Many ex- staffs have been re-joining the organization as second staff members. As mentioned in the previous section though the PFSA is governmental organization, its budget is a revolving fund. Therefore, there are many staff members who are employed by NGO's like UNFPA with high salary and benefits. Scholars like Walia, et al., (2012) argue that salary and associated benefits are integral factors that influence employee turnover. They further argue that organizations must give attention for the salary of their employee. Because the major reason why people work is to have an income in order to fulfill their basic survival needs such as food, clothing and shelter. Satisfaction through income earned further leads to employee retention.

Similarly, according to the information depicted in the table low benefits and allowance of the organization is another main cause for higher employee turnover in the organization. More than 60 % of the respondents have suggested that PFSA has not applied benefits and allowance systems. Regarding lack of transparent reward system based on performance in an organization, the information in the table depicts that more than 80% of the respondents agree which shows there is no transparent reward system based on performance in the organization.

More than 80 % of the respondents claimed that they left the organization because the amount of money they had been paid was not equal to other employees who are the same status with them. In other words, even though they have similar educational background and experience, all employees were not paid equal salary. This has resulted in discrimination and this entailed dissatisfaction. Such unfairness is the indication of poor governance or mismanagement in the organization. Thus, such unsatisfied measures are the cause for leaving their organization.

Correspondingly, nearly all respondents had left the organization because of insufficient payment and cumbersome the work load. This means the salary they were paid and the work load they were caring out was not equivalent. As it has been observed for the decades, in all government organizations there is no consistent salary scale and increment procedure. Rather the government has been implementing comprehensive salary increment procedures for all civil servants within two or three years interval.

Therefore, from the information given in the table we can easily understand that majority of the respondents suggested that low salary, absence of transparent reward system based on performance, low benefits and allowance, salary payment that does not conform to education and experience, absence of inclusive salary payment to all employees had been inducing resignation of employees form the organization.

*Table 4.2.2: Reflection of Ex- **employee's on Work E**nvironment*

S/N	Statements	Measurement	Response				
			SD	D	ASW	A	SA
1	*Good working environment was the major driver that would make me to leave my job*	Freq.	5	7	20	34	14
		Perce	6.3	8.8	25.0	42.5	17.5
2	*The relationship between employees and managers was not good*	Freq.	0	8	19	30	13
		Perce	0	11.4	27	37.5	18.6
3	*Interpersonal relationship amongst employees was not good.*	Freq	0	19	35	19	0
		Perce	8.8	23.8	43.8	23.8	0
4	*My work load was increased and my achievement was decreased when other employees left the organization*	Freq	4	5	6	50	15
		Perce	5.0	6.3	7.5	62.5	18.8

Source: Own Survey 2016

Majority (60%) of respondents replied that lack of good working environment was the major driver that made them leave their ex- jobs. This shows that it is necessary to establish conducive working environment to gain better achievements. In this regard, Walia and Bajaj (2012) have suggested that mangers must establish conducive working environment for

better achievements. To create such working environment, managers must try to have good relation with their employees.

Likewise, nearly 56% of the respondents suggested that the relationship between employee and the manager was not good in the organization. If there is no smooth relationship between staff and managers, it is difficult to understand each other. Implementing harmonious relationship between employees and the management is the duty of the managers. According to Richard et al., (2009) establishing reliable relationship among the employees and between the employee and the manager is a very crucial thing to create a conducive working environment as it provides solution for the problems on the spot. Linda (2002) also underlines that workplace atmosphere can determine employee turnover rates.

Regarding their interpersonal relationship in the organization, more than 43% of the respondents suggested that the interpersonal relationship was neither good nor bad. In other words, most respondents were in the category of ambivalence. This means circumstances can determine the interpersonal relationship amongst employees, which was sometimes good and sometimes bad.   It was indicated that employees need to be respected and contend as important to the organization.

Nearly 80 % of the respondents agreed that work load would be incurred on the remaining staff members when an employee leaves the organization. And this results a negative impact on the productivity of the organization.   Vacant position results burden on other employees and this work load forced employees to leave their jobs.

Table 4.2.3: Opinion of Ex-employees about Commitments

S/N	Item	Measurement	Response				
			SD	D	ASW	A	SA
1	*I didn't have strong commitment to my former organization*	Freq	39	21	10	0	0
		Perce	55.7	30	14.3	0	0
2	My ex-colleagues have been stayed at the PFSA because they did have organizational commitment	Freq.	30	29	11	0	0
		Perce	42.8	41.4	15.7	0	0
3	*The organization did have a commitment to retain employees in the organization*	Freq.	27	29	14	0	0
		Perce	38.6	41.4	20	0	0

Source: Own Survey 2016

37

More than 85% of the respondents replied that they did have strong commitment to their former organization. But in the view of the researcher if the ex- employees did have the commitment to their job they could not left the organization.

Noe & Gerhet (2003) state that organizational commitment is the degree to which employees owns organizational goals, and employees are striving for better success. If employees are committed to an organization, they are more likely to be more productive. Research has revealed that job satisfaction and organizational commitment tend to influence each other. They further underline that people, who are relatively satisfied with their jobs, would be somewhat more committed to the organization and also that people who are relatively committed to the organization are more likely to have greater job satisfaction.

Similarly, more than 80 % of the respondents replied that their ex-colleagues have been stayed at PFSA because they did not have option to get a better job. If they got another job, they would leave their organization. Likewise, 80% of the respondents replied that their former organization, PFSA, did not have a commitment to retain them. This means both their ex- staff and organization did not have the commitment to satisfy each other.

Table 4.2.4 Ex-employees Reflections on Satisfaction with their Former Job

S/N	Statements	Measurement	Response				
			SD	D	ASW	A	SA
1	I was not satisfied with my former organization decision making process	Freq.	0	0	14	29	37
		Perce	0	0	17.5	41.4.	52.8
2	I left PFSA because the organization did not give enough recognition for well done activities	Freq.	0	0	12	28	30
		Perce	0	0	17.1	40	42.9
3	I left PFSA because my job had not good promotion	Freq	5	7	20	34	14
		Perce	6.3	8.8	25.0	42.5	17.5

Source: Own Survey 2016

The above table revealed that regarding decision making process of the organization, more than 93 % of the respondents were not satisfied with their former organization's decision

making process. While, the rest of the respondents were neither satisfied nor dissatisfied with their involvement in the decision making process in the organization.

From this it is easy to understand that the decision making process of the organization is carried out only by higher officials. In any cases, if an organization adopts a participatory decision making process or participates employees actively in decision making, they can share the success or failure of the organization. Participatory and democratic decision making process enables employees to develop sense of ownership and belongingness.

Regarding recognition, 82% of the respondents suggested that the organization didn't give recognition for better performers. Recognition is a best practice to raise the moral value of performers. Hence, PFSA should give recognition for best performers as it enables them to gain desirable achievements in the future.

Regarding promotion, 60% of the respondents replied that their former job didn't have promotions. In most government organizations there have not been regular employee promotion system. Most government organizations have been implementing BPR (Business Process Reengineering) and BSC (Balanced Score Card). However, they have not been practicing it properly. As a result, there is no run form promotion system in most government organizations.

Scholars argue that dissatisfied employees would not be successful in their achievements. Henman, et al (2000) state that job satisfaction has long been thought to have a significant impact on job performance. Moreover, they argue that employee dissatisfaction has direct influence on employee turnover in organizations. The implication of this fact is that the extent to which an organization is able to achieve its objectives depends on the level of intrinsic job satisfaction that are made available to workers

In this reared, Martin (2005) argues that satisfaction level determines the achievement of the employee. He states that a highly satisfied workforce is far more capable of meeting organizational goals and customer needs than an apathetic and uninspired one.

Table 4.2.5 View of Ex-employees on Training for Skill Development

S/N	Statements	Measurement	Response				
			SD	D	ASW	A	SA
1	Skill development trainings were not given a fairly	Freq.	0	5	7	30	28
		Perce	0	6.3	8.8	42..8	40
2	I didn't get any short and long term training and education opportunities	Freq.	o	o	44	29	37
		Perce	o	o	5.8	41.4.	52.8
3	Need assessment conducted to know the training gaps	Freq	0	7	5	35	23
		Perce	0	8.8	6.3	50	32.8
4	My former job didn't help me to get additional skills	Freq	5	7	20	34	14
		Perce	6.3	8.8	25.0	42.5	17.5

Source: Own Survey 2016

According to the information displayed in the above table more than 80% of the respondents stated that skill development trainings were not given fairly. In other words, skill development trainings in the organization were not given on the base of equal opportunities.

Likewise, 94.2 % of respondents have confirmed that they didn't get short or long term trainings in accordance with their job. Hence, it is easy to purport that lack of training (either off or on the job training) may be a cause for high employee turnover in the organization. In order to gain better achievements employees must be acquainted with current technologies. Thus, short and long term trainings are crucial to skill developments and better achievements. Similarly, more than 80 % respondents suggested that need assessment was not conducted before trainings. It is 0bvious that successful trainings depend on trainers conducting need assessments.

Similarly, significant number or 60% of respondents believed that their former job didn't help them to got additional skills to find out another income. The information displayed in the table ratified that employees need to develop their skills. When employees get additional skills, it is not good only for them but for the organization too. A multifaceted employee can help to carry out more and more activities. As it is indicated in table 2, PFSA has been

suffered with high employee turnover. Thus, to make employees a generalist or to make employees multi skilled, it increased the productivity the organization with less expense.

Manoj (2000) also describes that training is an act of increasing the knowledge and skills of an employees for doing a particular job. Similarly, Robert (2006) states that continuous training and reinforcement develops competent, consistent, competitive, effective and efficient employees work force.

Table 4.2.6: View of Ex-employees regarding Relationship

S/N	. *Statements*	*Meas ureme nt*	*Response*				
			SD	*D*	*ASW*	*A*	*SA*
1	*flexible working conditions leveled by the managers*	*Freq.*	*30*	*21*	*22*	*7*	*0*
		Perce.	*37.5*	*26.3*	*27.5*	*8.8*	*0*
2	*allowing or inviting employees' to participate in decision making*	*Freq.*	*19*	*40*	*12*	*9*	*0*
		Perce.	*23.8*	*50.0*	*15.0*	*11.3*	*0*
3	*My manager tries to boost morals of employees*	*Freq.*	*24*	*33*	*10*	*11*	*2*
		Perce.	*30.0*	*41.3*	*12.5*	*13.8*	*2.5*
4	*Management team try their best to ensure that employees will not leave the Organization*	*Freq.*	*36*	*28*	*10*	*4*	*2*
		Perce.	*45.0*	*35.0*	*12.5*	*5.0*	*2.5*
5	*The management addresses grievances employees*	*Freq.*	*34*	*36*	*10*	*0*	*0*
		Perce.	*42.5*	*45.0*	*12.5*	*0*	*0*
6	*The management tries to build good team work*	*Freq.*	*13*	*21*	*31*	*9*	*6*
		Perce.	*16.3*	*26.3*	*38.8*	*11.3*	*7.5*

Source: Own Survey 2016

According to this table, more than 63 % of the respondents said that their immediate representatives could not create to flexible working conditions. Similarly, nearly 27 % of the respondents said that they neither agree nor disagree, but only 8% of the respondents replied that their immediate boss would forge flexible working conditions.

From the given date it is easy to understand that leaderships or managers in PFSA were not affecting flexible working conditions. While, they need to conform activities according to the situations.

More than 83% of the respondents suggested that managers of the organization did not allow employees to participate in decision making process of the organization. On the contrary, 10% of the employees stated that managers of the organization allow them to participate in the decision making process of the organization. Thus, from the given data it is possible to conclude that most managers do not let the employees to participate in the decision making process of the organization.

More than 70 % of the respondents replied that their managers do not try appreciating their activity and establishing good working atmosphere. It is known that appreciations are stronger than material incentives. But in PFSA there is weak or no incentive for employees.

Overall, more than 80 % of the respondents suggested that management members did not try their best to reduce employees' turnover in the organization. In this regard, managers preferred to keep be silent when employees left their jobs rather than trying to find remedy for the problem. In other words, employee turnover was not considerable problem for managers. But managers are anticipated to give due attention to the problem of employees. First, staffs turnover results in loss of experienced employees. Secondly, it incurs high cost to hire new employees.

Regarding team work, majority of the respondents suggested there was weak team sprit or cooperation working habits in PFSA. However, 38 % of the respondents are ambivalent or neutral about the issue. The rest suggested that there is team spirit in the organization. Team work is a back bone for the success of an organization. If team sprite is established in the organization, employees can share best practices very easily. Team work results in better achievement for the organization. Thus, managers or leaders must strive to establish a team sprit among employees.

Table 4.2.7: Ex- employee Reflection about Leadership style at PFSA

S/N	Statements	Measurement	Response				
			SD	D	ASW	A	SA
1	Leaders or managers of the organization were autocratic	Freq.	0	5	7	30	28
		Perce	0	6.3	8.8	42..8	40
2	Rules and regulations were not respected uniformly	Freq.	0	7	5	35	23
		Perce	0	8.8	6.3	50	32.8

Source: Own Survey 2016

As per the above table, 78% of the respondents suggested that leadership style practiced in PFSA was autocratic. This type of leadership does not give the right to the employees to ask why or leaders do not want to be questioned by the staff. Employees have been doing what has been dictated by leaders or managers. Leadership style is one of the important factors that causes employee to leave or to do their job.

A research conducted by Jane, Namusonge & Mike, (2012) in public universities revealed that unfavorable leadership practice was one of the basic reasons for employees to leave. Nowadays, because of globalization and other technology related factors people, specially educated people, are assertive to stand for their rights. Thus, leaders or managers must respect the right of their employees. Therefore, leadership style is one of the crucial factors for employees to leave their jobs.

The above table showed the more than 80 % of the respondents suggested that regulations and directives were not implemented effectively in the organization. In other words, rules and regulations of the organization had been exposed to subjective interpretation of individuals. However, scholars advise that regulations and directives of the organization must be beyond uniformly in the organization.

Employees may bear grudge if regulations and directives are not implemented properly. Consequently, this grudge may lead employees to look for options outsides of the organizations and it becomes an obstacle for the success of the organization. Scholars advise that rules and regulations must be implemented uniformly.

4.2.2 Data Analysis pertaining to information gathered through interview

To strengthen the information gathered through questioner, the researcher has conducted interview. Face to face interview was conducted with the ex-manager. This manager was expected to know PFSA administrative section very well. Thus, the information gathered through interview is anticipated to increase reliability of the research.

The interviewee revealed that there were many causes for employee turnover. According to him, the followings are some of the major problems for employee turnover. First and for most, low salary was the main cause for high turnover. In addition, the information stated in the above section confirmed that 80% of the respondents suggested that low salary is the cause for high employee turnover in the organization low salary is the major cause for employee turnover.

Furthermore, he said compared with other developing African nations; Ethiopia's remuneration is relatively very low, It is also common to encounter a minimum of 10 % inflation annually, employees are striving hard to cover their expense i.e. for food, shelter, clothing, transportation, school fee for their children, medication etc.

This has created burden on the employees. They were busily working to fulfill their basic needs. Most employees, particularly youngsters didn't have their own house. When reviewed from the living condition of Addis Ababa, house rent is soaring monthly. This issue has created another burden for the employees. Thus, employees were not stable. There were busy searching better incomes. Most employees especially pharmacists had been working in private firms in their spare time to argument their income. This has brought additional work load which is also a reason for stress. This shows that government salary is not enough to cover all their needs.

According to table 10, motivations (intrinsic or extrinsic) are important to reduce employee turnover. Similarly, the information from the interview confirms that low incentives and benefits were also the causes of employee turnover.

To improve their lives, many employees have been trying hard to make additional incomes. Though the organization is being run with a revolving fund, it didn't give bonus or any other

incentives for the employees. The information in the table 4.2.1 also depicted that more than 80% of the respondents suggested that there was no bonus or other incentive mechanism based on performance in the organization.

Murphy (1999) suggests that bonus or other incentives elicit loyalty and commitment to accomplish organization's mission. High labor turnover can be expensive although the actual costs are difficult to estimate. To get some indication an organization can start by adding up the most obvious expenses of advertising, recruitment and training together with cost associated with management and supervisory time (Henry, 2007). The following factors can contribute to the overall cost of turnover and should be considered when determining the tangible and intangible costs of turnover.

The interviewee explained that resignation of experienced employees has been creating work load. This additional load is result in an operational disruption in the achievements of the organization. When an employee resigns, his assignment would be divided among employees. This in turn may result in another load for the employees. The director underlined that additional work load has negative impact on quality of work. Likewise, the information from the questioner confirmed that more than 80 % of the respondents agreed that work load would be incurred on the remaining staff members when an employee leaves the organization.

The director explained that employee turnover has resulted in great financial expense on the organization. It was confirmed that PFSA has been paying additional cost for matters related to the turnover. Recruitment process has been sometimes dragging of for months until the new employee is assigned and it forces PFSA to pay extra money for over-time. Sometimes recruitment processes is outsourced to external examiners and the organization is coursed to pay for additional expenses.

He concluded that the organization has been expending a huge amount of money in yearly bases because of staff turnover. It includes costs for vacancy posting, medical checkup expense, telephone call for checking references, travel cost, costs related with orientation of newly recruited employees, relocation of expenses. He has also underlined other non-financial values that the organization has lost including, time spent by managers to review

the employment process, loss of organizational thinking, time and money spent for training of newly employed personnel until he gain the desired level of skills.

The head of the Agency mentioned that PFSA is also trying to provide various training programs to its employees but it was not implemented as effectively as it was planned. The information displayed in the above section also confirmed that more than 80% of the respondents stated that skill development trainings were not given fairly. In addition, more than 80 % respondents suggested that need assessment was not conducted before trainings.

As a retention mechanism, PFSA has reviewed its compensation and benefits packages and is giving more attention to employees based on the experience of similar organizations in order to retain its employees.

4.2.3 Data Analysis pertaining to the Documents

The researcher has tried to go through some related documents though she couldn't find out any documents regarding the rule and regulation of employee's turnover. Similarly there is no written reward system in the organization. However, there is only discipline related rule to punish wrong doer. Similarly, the information in the above section also ratified that the majority of the respondents suggested that regulations and directives were not implemented effectively in the organization. In other words, rules and regulations of the organization had been exposed to subjective interpretation of individuals.

The researcher couldn't come across any written document submitted by the employees why he/ she wanted to leave the organization. Likewise, no documents were found that were complied by managers to avert the decision of the employees from resigning. In other words, none of the managers had been trying to curb resignation of employees in a convincing manner. This shows that the management and the employees are distanced and there is no cooperative between them. In addition, the information from questioner suggested that 93 % of the respondents were not satisfied with their former organization's decision making process. 78% of the respondents suggested that leadership style practiced in PFSA was autocratic. This type of leadership does not give the right to the employees to ask why or leaders do not want to be questioned by the staff.

CHPTER FIVE

FINDINGS, CONCLUSIONS, AND RECOMENDATIONS

This chapter presents the Summary of major findings, Conclusion and the Reconditions. Based on the summary of findings, conclusions are drawn in such a way that they are answering the basic research questions. Finally, recommendations are forwarded to the organization with regard to improving employee turnover.

5.1 Summary of major findings

80% of the respondents suggested that low salary is the cause for high employee turnover in the organization and no transparent reward system based on performance in the organization. Similarly, 82% of the respondents suggested that the organization didn't give recognition for better performers.

Scholars like Walia, et al., (2012) argue that salary and associated benefits are integral factors that influence employee turnover. They further argue that organizations must give attention for the salary of their employee. Foons, et al., (2010), also suggest that salaries, bonuses and promotions are tangible rewards systems that can enhance or deter employee turnover in the organization.

60% of respondents replied that lack of good working environment was the major driver that made them leave their ex- jobs; likewise, nearly 56% of the respondents suggested that the relationship between employee and the manager was not good in the organization.

In this regard, Richard et al., (2009) state that establishing reliable relationship among the employees and between the employee and the manager is a very crucial thing to create a conducive working environment. Linda (2002) also underlines that workplace atmosphere can determine employee turnover rates. Trevor (2004) that work environment is one of the main causes for employee turnover. He further explains that employees prefer to work in an environment which is suitable for them.

More than 80 % of the respondents agreed that work load would be incurred on the remaining staff members when an employee leaves the organization. And this results a

negative impact on the productivity of the organization. Vacant position results burden on other employees and this work load forced employees to leave their jobs.

More than 85% of the respondents replied that they did have strong commitment to their former organization. But in the view of the researcher if the ex- employees did have the commitment to their job they could not left the organization. However, Noe & Gerhet (2003) state that if employees are committed to an organization, they are more likely to be more productive in their achievements and prefer to stay at their jobs.

More than 93 % of the respondents were not satisfied with their former organization's decision making process. 78% of the respondents suggested that leadership style practiced in PFSA was autocratic. This type of leadership does not give the right to the employees to ask why or leaders do not want to be questioned by the staff. Employees have been doing what has been dictated by leaders or managers. Leadership style is one of the important factors that causes employee to leave or to do their job.

A research conducted by Jane, Namusonge & Mike, (2012) in public universities revealed that unfavorable leadership practice was one of the basic reasons for employees to leave. Nowadays, because of globalization and other technology related factors people, specially educated people, are assertive to stand for their rights. Thus, leaders or managers must respect the right of their employees. Therefore, leadership style is one of the crucial factors for employees to leave their jobs.

More than 80% of the respondents stated that skill development trainings were not given fairly Similarly, more than 80 % respondents suggested that need assessment was not conducted before trainings. It is 0bvious that successful trainings depend on trainers conducting need assessments. Similarly, significant number or 60% of respondents believed that their former job didn't help them to got additional skills to find out another income.

Manoj (2000) describes that training is an act of increasing the knowledge and skills of an employees for doing a particular job. Similarly, Robert (2006) states that continuous training and reinforcement develops competent, consistent, competitive, effective and efficient employees work force.

5.2 Conclusions

➢ In the last five years namely: 2003, 2004, 2005, 2006 & 2007 E.C the turnover rate of PFSA .6%, 41.2%, 39.2%, 23% and 24.8% respectively. The total average growth rate of staff turnover is 34.8%. This shows that turnover rates have got a slight increment over the last five years. Consequently, the increasing turnover rate has resulted in high cost for recruitment, replacement and   likewise, the cost includes other non-financial values like time spent by managers to review the employment process these result a negative impact on productivity of the organization.

➢ Low salary, poor governance or mismanagement, low benefit and allowance, job dissatisfaction, lack of sense belongingness and insufficient training and development opportunities are among the major causes for high staff turnover.

➢ When an employee leaves an organization the work load would be increased on other employees that results in stress on the rest of workforce. Overburden causes stress and this leads to an extreme measure of leaving jobs.

➢ Lack of career development is expressed as one of the reason employees leave their work. This shows that there is a lack of structured and well functioning career plan and provision of opportunities for each employee to grow by learning new subject and meet new challenges.

➢ There is no good working environment in the organization because of weak relationship among employees and between employees and managers. Similarly, there isn't good communication among the staff, not enough training and effective supervision.

➢ The management team of the organization was not consulting the exiting employee to reduce or minimize staff turnover.

5.3 Recommendations:

On the basis of the aforementioned conclusions the researcher came up with the following recommendation to improve the employee retention efforts in PFSA.

➢ Managers should decrease employee turnover by implementing retention mechanisms: such as revising its salary scale, benefit and allowance strategy.

➢ Management should keep up their good practice of fair, reasonable and supportive management style.

➢ Managers should try all means to increase employee satisfaction and be ahead of their competitors' in retaining their employee by learning how to focus on key employee satisfiers and dissatisfies.

➢ The organization should exercise democrat and participatory leadership style for to create a smooth relationship in the organization. This enhances better achievements in the organization

➢ Managers should incorporate or invite employees to participate organizational decision making process. Participatory decision making process enhances the integration of the management and the staff.

➢ Managers should establish good relationship between the managers and employees. Likewise managers must ensure good interactions among employees themselves.

➢ To minimize the work load, managers should distribute the work load among employees fairly. Moreover the organization must try to hire enough and most competitive employees.

➢ The management should implement regular promotion and career development strategy.

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Appendix I : Questionnaire for ex-employees in PFSA

St. Mary's University School of Graduate Study

MBA Program

This questionnaire will be filled by ex-employees and managers of Pharmaceutical and Fund Supply Agency (PFSA). The questionnaire is designed to collect information for the thesis "**The Assesiment of Staff Turnover at Pharmaceutical Fund and Supply Agency**". The outcome of the study will be used for suggesting possible solutions to problems identified while conducting this study. Therefore, I would kindly request you to share your precious time to fill in the questionnaire. I would like to confirm that the information you provide will only be used for academic purposes. Yours genuine, frank and timely responses are extremely determining the success of the study. Hence, I would once more kindly request your contribution in filling this questionnaire honestly and responsibly.

A   General Background

1   Age

  ☐a) Below 25   ☐b) 26-30   ☐c) 31-35   d) 36-40 ☐

  e) ☐above 40

2   Sex: a) ☐Male   b) Female ☐

3   Marital status: ☐a) Married   b) Single ☐

4   Academic qualification: ☐a) Below 10   b) ☐10 or 12+2

  c) ☐diploma/ 10+3   ☐d) BA/Bsc   e) MA/MSc ☐   f) Phd ☐

5   Year of service in PFSA in year:

  a) Less ☐than 1   b) 1-2 ☐   c) ☐3-5   d) 6-10☐

    d) ☐above 10

6   Position

   a) Director   ☐   b) Manager☐ c) Coordinator☐   d) S&D officer ☐

   e) Furcating officer ☐ e) finance & ☐hr and G/s officer   ☐f) other

B. Determination of employee turnover

Please indicate the extent to which you agree with each statement below by putting a "✓" Mark in the appropriate column in the table below against each of the response scales:

SA= Strongly Agree   A= Agree   ASW= Agree Somewhat   D= Disagree

SD= Strongly Disagree

S/N	Item	Measurement	SD	D	ASW	A	SA
i	*Salary and other benefits*						
1	*Low salary was the reason I leave my job*	*Freq.*					
		Perce					
2	*There was no transparent reward system based on performance in the organization*	*Freq.*					
		Perce					
3	*Low benefits and allowance were the reasons to leave my job*	*Freq*					
		Perce					
4	*I left because my payment was not equal to other employees*	*Freq.*					
		Perce					
5	*I left because I felt that I was not well paid taking into account my experience, responsibilities and educational qualification.*	*Freq*					
		Perce					
ii	*Work environment*						
1	*Good working environment was the major driver that would make me to leave my job*	*Freq*					
		Perce					
2	*The relationship between employees and managers was not good*	*Freq*					
		Perce					
3	*Interpersonal relationship amongst employees was not good.*	*Freq*					
		Perce					
4	*My work load was increased and my*	*Freq.*					

	achievement was decreased when other employees left the organization	*Perce*					
iii	**Commitments**						
1	*I didn't have strong commitment to my former organization*	*Freq.*					
		Perce					
2	*My ex-colleagues have been stayed at the PFSA because they did have organizational commitment*	*Freq.*					
		Perce					
3	*The organization did have a commitment to retain employees in the organization*	*Freq*					
		Perce					
iv	**Satisfaction about their former job**						
1	*I was not satisfied with my former organization decision making process*	*Freq.*					
		Perce					
2	*I left PFSA because the organization did not give enough recognition for well done activities*	*Freq.*					
		Perce					
3	*I left PFSA because my job had not good promotion*	*Freq*					
		Perce					
V	**Training for skill development**						
1	*Skill development trainings were not given a fairly*	*Freq.*					
		Perce					
2	*I didn't get any short and long term training and education opportunities*	*Freq.*					
		Perce					
3	*Need assessment conducted to know the training gaps*	*Freq*					
		Perce					
4	*My former job didn't help me to get additional skills*	*Freq*					
		Perce					
Vi	**Relationships**						
1	*flexible working conditions leveled by the managers*	*Freq.*					
		Perce					
2	*allowing or inviting employees' to participate*	*Freq.*					

	in decision making	*Perce*						
3	*My manager tries to boost morals of employees*	*Freq.*						
		Perc						
4	*Management team try their best to ensure that employees will not leave the Organization*	*Freq.*						
		Perce						
5	*The management addresses grievances employees*	*Freq.*						
		Perce						
6	*The management tries to build good team work*	*Freq.*						
		Perce						
Vii	***Leadership style***							
1	*Leaders or managers of the organization were autocratic*	*Freq.*						
		Perce						
2	*Rules and regulations were not respected uniformly*	*Freq.*						
		Perce						

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Appendix II : Interview Question for Ex-manager

St. Mary's University School of Graduate Study

MBA Program

1. What were the major causes for employees' turnover in your ex- organization?
2. What do   you suggest about the work load on employees when high employee turnover occurred in the organization?
3. What effect did happen an employee turnover on the organization?
4. Did the organization does have any strategy to minimize or to stop employee turnover?

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Shoa Jemal (Asst. Prof). 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.

Adina Berie   _____

Name   *Signature*

St. Mary University, Addis Ababa   **Aug, 2016**

ENDORSEMENT

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

Shoa Jemal (Asst. Prof)

_____   _____

Advisor   Signature

St. Mary University, Addis Ababa   *Aug, 2016*