



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

**ANTECEDENTS OF EMPLOYEES' TURNOVER INTENTION:
THE CASE OF AWASH INSURANCE COMPANY S.C**

**By
JALENE HAILU**

June, 2018
ADDIS ABABA, ETHIOPIA

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APPROVED BY BOARD OF EXAMINERS

Dean, School of Business

Signature and Date

Advisor

Signature and Date

External Examiner

Signature and Date

Internal Examiner

Signature and Date

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ABSTRACT

The organization under the study registered high employee turnover during recent years. This specific study tries to identify the antecedent of employee turnover intention in Awash Insurance Company. In doing so the study used both primary and secondary data sources and for the purpose of collecting data, it used different instruments which are questionnaires for Awash Insurance Company employees and standard interview for the human resource director and directorate staff. In order to analyze the collected data descriptive statics like frequency, percentage and mean was used and the finding of the study reveals that there is dissatisfaction with the monetary reward, promotion, job satisfaction, organizational justice and training. The most influential were monetary reward and promotion opportunity. Regarding the employee relationship respondents are satisfied with the current situation but if they feel there is no good employee relationship they will have the intention to leave the company. To sum up, Awash Insurance Company should work carefully with on salary increment, benefit package, fair treatment to all employees, advance training package and keep up the good work in employee relationship.

Keywords: *Turnover Intentions, Monetary Reward, Promotion, organizational justice*

CHAPTER ONE

INTRODUCTION

In this section the researcher discusses the research background, problem statement, research question, objective of the study, scope of the study, significance of the study and organization of the study.

1.1 Background of the Study

Employee turnover can be traced back to the beginning of 20th century. Economist was the first scholars in the research field of employee turnover on the macro perspective to study how wages, labor market structure and the unemployment rate influence employee turnover. Since the 1970s, industrial psychologists studied of employee turnover, they pointed out that there were shortages of economists' study. Different from economists, psychologists mainly stood on the micro perspective to study how hidden individual psychology variables influenced on employee turnover, they introduced the concepts that reflected individual different psychological feelings to analyze the decisive factors in employee turnover, and then attempted to describe the process of psychological change of employees making turnover decision. Today more study is conducted on the issue of turnover in different perspective (Zhang, 2016).

Human resource is one of the significant resources and most crucial factors of the business success and has received increasing attention, this is related to the fact that the attainment of the objective of an organization is determined by the efficient and effectiveness of its human resource. An employee is a real pillar of any organization and long term retention of competent workforce is the most important factor in achieving high level performance. (Tulasji and Vijayalakshmi, 2015)

While employees constitute the core asset of an organization, they do not always remain stable in an organization, hence the biggest question for any organization is, what makes an employee leave or intend to leave (Sarminah, 2006). This debate leads us to the investigation of turnover and turnover intention, which is the theme of this research.

Before defining employee turnover intention it is appropriate to define employee turnover. Employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment (Abassi et al. 2000). According to Mathis and Jackson, (2010) employee turnover is the process in which employees leave an organization and have to be replaced. The term “turnover” is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period.

From the organizational perspective, labor turnover represents a significant direct cost in terms of recruiting, poor production practices and reduced standards as well as high replacement and training costs. Kuria et al., (2012) In addition to the direct cost there is indirect cost like reduction of interaction possible between co-workers resulting in the inhibition of friendship bonds. Interpersonal links require time and continuity, neither of which is possible in a situation of high labor turnover. Both the direct and the indirect cost will affect the performance of the organization. Employee turnover conservatively costs an organization approximately 60% of an employee’s annual salary (Allen, 2008 cited in Gyensare, 2013). These will have an impact not only in the organization but it will have impact on the development of the economy.

Turnover of employees results from the intention of employees to leave the organization for better opportunity, or some personal reasons. Among the different classifications of turnover, this study will focus on the voluntary employee turnover intention whereby the employees intentionally have a plan to leave the organization causing enormous impact on performance of an organization, the Awash insurance company.

Employees voluntarily leave organization for a variety of reasons. Including low satisfaction with their jobs, low satisfaction with their employer, limited promotion and growth opportunities, a better opportunity elsewhere, or disapproval of organizational changes or restructuring. On the other side, turnover intention may be defined as the intention of employees to quit the organization. Intentions are a statement about specific behaviour of interest. Turnover intent is the probability that an individual will change his or her job within a certain time period and thus it leads to actual turnover. Actual turnover is expected to increase as the intention increases. By means of

controlling the intention of leaving the organization can minimize the employee turnover of the organization (Kahur, Mohinduru and pankaj, 2013).

Employee turnover intention and its impact on organizational effectiveness has remained the focus of human resource and industrial-organizational researchers in recent times (Adjei-Appiah, 2008; Chen, Polyhart, Thomas, Anderson & Bliese, 2011; Onyishi, Ucho & Mkavga, 2012; Perez, 2008 cited in Gyensare, 2013). The phenomenon and its related antecedents is a subject of global concern and attract significant interest due to its psycho-economic dimensions and organizational significance.

The insurance sector plays important role in opening employment opportunity for both developed and developing countries. The insurance industry is a human intensive business and therefore the role of human resource is very crucial in the growth of an insurance industry. As one of the insurance companies, Awash Insurance Company has been facing the problem of employee turnover. The researcher while working in the company under study was able to observe many employeescomplaining about leaving the company due to reasons such as problems in the level of pay with respect to competitors, transportation allowance, high cost of living, and salary increment, nature of work and fairness of benefits. Eventually most of those who complain leave (resign). Every year the number of employees complaining as well as leaving the company is increasing. And this problem has a great impact on the company. Turnover represents the principal share in terms of problem in the organization. Therefore, clear insight/assessment about the antecedents of employee turnover intention in Awash Insurance Company will be essential to the researcher to conduct a study.

According to the report of human resource directorate of Awash Insurance Company as of June 2017 it shows an increase in the percentage of absenteeism and lateness in the organization from 2012/13 to 2016/17. On average absenteeism percentage was 3.046% and lateness percentage was 10.938%. This percentage is increasing overtime this shows there is a high intetion to leave the organization. Practically, the decision of quitting the job will not happen overnight. Most employees make their decision to leave over a lengthy period lasting months or even years. This means organizations have time to implement positive changes and retain workers that have

initiation to leave before it is too late or actual turnover happens. when employee have an initiation to leave it will show in absenteeism and lateness from work.

In addition, lack of empirical researches on the antecedents of employee turnover intention specifically in Awash Insurance Company, is what motivates the researcher to conduct the study so as to put her contribution to improve the performance of the company.

The researcher believes, investigating the antecedents of employee turnover in Awash Insurance Company can assist the organization to take appropriate remedial actions which enable the company to curve turnover before it occurs. As a result, Awash Insurance Company can reduce or minimize the effect of staff turnover and enhance the performance.

1.2 Definition of Key Terms

The following basic definitions are provided to serve as a straightforward definitions that are used in this thesis.

Employee Turnover:Employee turnover is the replacement cycle each time a position is vacated either voluntarily or involuntarily (Woods, 2006).

Turnover Intention:Turnover Intention is a conscious willfulness to seek other alternative job opportunities in other organization (Meyer et al, 1993).

Monetary Reward: It is cash or equivalent that an employee receives against the service he/she performed from an employer (Ongori, 2007).

Promotion: Movement of a person to the higher level position of the company (Hissom, 2009).

Organizational Justice: It is the study of fairness in the organization and how people perceive it (Cropanzano and Greenberg, 1997).

Voluntary Turnover:Voluntary turnover refers to decision mainly made by employees leaving the company, including all resignation forms (zhang, 2016).

Involuntary Turnover:Involuntary turnove occurs for resonsons which are independent of the concerened employee (Allen,2000).

1.3 Statement of the Problem

“Employee turnover is the process of replacing one worker with another for any reason. A turnover rate is the percentage of employees that a company must replace within a given time period. Most Companies are highly concerned because employee turnover is a costly expense especially in lower paying job roles, for which the employee turnover rate is highest. Many factors play a role in the employee turnover rate of any company, and these can stem from both the employer and the employees. Wages, company benefits, employee attendance, and job performance are all factors that play a significant role in employee turnover. Companies take a deep interest in their employee turnover rate because it is a costly part of doing business" (Beam, 2009).

Today’s competitive business world, it is considered to be an important task to manage employee turnover for any organization, including higher education institutions, lies in their highly skilled employees on which these institutions spend millions to retain. Naturally people want diversities in his/her everyday life; seeks for new and challenging jobs and good working environment in job place. To provide these things to the employees in an economic way is very difficult and burdensome. But it is also crucial for any organization to retain its talented employees. Every organization wished to have high productivity, fewer turnovers and to be profitable. Managing turnover successfully is a must to achieve the above goals. (Tulasji and Vijayalakshmi, 2015)

Turnover does not always have a negative effect for organizational performance. As stated in Grobler et al. (2006) certain amount of turnover is expected, unavoidable and considered beneficial to the organization. New employees may inject fresh blood into the firm by introducing new ideas and methods and innovative, more effective ways of doing thing. In addition, turnover may help rectify poor hiring and placement decisions. Such turnover is referred to as functional turnover. Thus, some turnover renews a stagnating organization. But excessive turnover creates an unstable workforce and increases human resources (HR) cost.

According to Awash Insurance Company own record during the period between 2012/13 and 2016/17 (2nd strategic plan of the company) from the total of 474 employees 337 were terminated and on the other hand the company recruited a total of 490 employees. Still at the time of doing this study some employees were submitting their resignation letter to the company. Awash Insurance Company is one of the privately-owned insurance. Awash Insurance Company provides diversified general and long-term insurance service to its esteemed customers with the help of its

professional employees. Turnover affects the performance of the company and the morale of co-workers consequently the productivity of the company. Like other organization Awash Insurance Company faced turnover problem in the years of operation for the last 22 years. Even if the number fluctuates over the years the rate is still high (Human resource management, 2017).

As indicted in Table 1.3, below the turnover rate is high under the reviewed years.

Table 1.3:Employee turnover summary for five years

Year	Total Manpower	No. of Employees terminated	percentage Terminated	No. of employees Joined
2012/13	359	50	13.93	87
2013/14	377	87	23.08	105
2014/15	423	63	14.89	110
2015/16	444	59	13.29	80
2016/17	474	78	16.46	108
Total	474	337		490

Source: Human Resource Directorate of AIC, June 2017

The above table indicates that the magnitude of employees' turnover in the insurance and as you can see from the table 1.3 it has been increasing over the years. This problem seems significant and worth studying so as to find out the antecedents of employees turnover intention. Therefore, the researcher was motivated to do this study which is aimed to protect the company from actual turnover. Thus in this context, the present study will be highly significant for Awash Insurance Company and other related organization facing problem and huge loss due to employee turnover.

1.4 Basic Research Questions

- ✓ What is the level of turnover intention among employees of the company?
- ✓ What are the antecedents of turnover intentions in the company?
- ✓ What is the most significant factor that influences turnover intention among the Awash Insurance Company's employees?
- ✓ What are the mechanisms to retain the employees of the company?

1.5 Objectives of the Study

The study has both general and specific objective.

1.5.1 General Objective

The general objective of this research was to assess the antecedent of employees' turnover intention in Awash Insurance Company S.C

1.5.2 Specific Objectives

The study is guided by four specific objectives:

1. To examine the level of turnover intention in the company
2. To identify the antecedents of turnover intentions in the company
3. To identify the most significant factors that influence turnover intention in the company
4. To recommend possible mechanism used to retain the employees of the company

1.6 Significance of the Study

The researcher contends that the findings of this study identify the antecedents of employees' turnover intention in Awash Insurance Company for the stake holders, the management and the government to take appropriate measures and make actual recommendations to the Awash Insurance Company to reduce employees' turnover initiation so that it prevent the company from actual turnover. It is hoped that this study also benefits other financial institutions in Ethiopia and make recommendations for improving organizational performance.

The study also forms a good literature for further studies and for future reference. Academicians will thus benefit from the findings of this study as it adds to the body of existing knowledge.

1.7 Scope of the Study

Even though there are many insurance in the country, the study bounded itself to study employee turnover intention in Awash insurance company S.C. Although, the AIC has different kinds of activities within the human resource management, it would have been good if the study included all aspects of human resource management activities but due to time and financial constraint this study focused only on one of the prominent issues in Human resource management; that is, employees turnover intention. Turnover can be voluntary and involuntary turnover but the study was limited to an examination of voluntary turnover, which has untold impact on the insurance's performance. The antecedent of turnover intention can be seen from three perspectives, which are personal factors, Social & economic factors and organizational factors. This study only considers and is limited to the organizational factors. The time horizon of the study was also delimited from 2012/13 to 2016/17 due to the availability of documentation.

Though Awash insurance company has 45 branches and 3 contact office in Ethiopia, to make the study convenient it was limited to the head office.

1.8 Limitations of the Study

The data were collected from the company employee and some respondent were not able to return a questionnaire in due time and it was a difficult to wait until all return as intended. Hence, these negatively affect the quality of subject study.

It would have been more convenient if the study is made in all branches of the company but due to cost and time constraints the research is limited to the head office.

1.9 Organization of the Study

This thesis consists five chapters: Chapter one incorporate introduction part such as, Background of the study, Definition of key terms, Statemen of the problem, objectives, Significance of the Study and Limitations of the study. Chapter two reviewed the theoretical and empirical literature related to this specific study. Chapter three discussed the methodology and model specification part. Chapter four presented the analysis, results and discussion of the findings. Finally, the fifth closing chapter focused on Summary, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This Chapter was divided mainly in three sections; the first section dealt with the theoretical review and conceptual definitions which were given by different scholars over times. The second section present empirical studies which was written by different researcher in the areas of employee turnover and turnover intention. The chapter concludes with a conceptual model which was the third section.

2. 1 Theoretical Literature

2.1.1 The Concept of Employee Turnover

Interest in the study of turnover intention as a proxy for actual turnover has gained much popularity among researchers and academics in the area of industrial organizational psychology (Griffeth, Hom & Gaertner, 2000 as cited in Gyensar, 2013). In order to get a good picture about turnover intention, it will be wise to be aware of the concept of employee turnover first.

In view of Abbasi, & Hollman (2000) Employee turnover is the rotation of workers around the labor market, betweenfirms, jobs and occupations, and between the states of employment and unemployment. (Price, 1977 as cited in Ongori, 2007). Employee's job turnover is the access to enter new employees into the organizations and the departure of current employees of the organizations.

Loquercio et al., (2006) observed that staff turnover is the proportion of staff leaving in a given time period but prior to the anticipated end of their contract. According to Singh &Loncar, (2010) staff turnover is the rate of change in the working staffs of a concern during a defined period.

2.1.2 Types of Employee Turnover

Generally, Turnover can be classified internal or external. Internal turnover involves employees leaving their current position, and taking a new position within the same organization. Both positive enforcement (such as increased employee motivation and commitment) and negative consequences (such as project/relational disruption) of internal turnover exist, and thus this form of turnover may be as important to monitor as its external counterpart turn over. Internal turnover might be moderated and controlled by typical human resource mechanisms, such as an internal recruitment policy or formal succession planning. External turnover is a movement of an employee outside the organization. (Kuria et. al, 2012)

A. Functional Vs Dysfunctional Turnover:

Functional turnovers are the resignation of substandard performers and dysfunctional turnovers refers to the exit of effective performers. Dysfunctional turnover is also the utmost concern of management, due to its negative effect on the organization's general performance (Stephen, 2004).

B. Avoidable Vs Unavoidable Turnover:

Avoidable turnover as the name indicate it is something organizations can prevent by hiring, evaluating and motivating their employees more effectively (Sandra, 2012).

Unavoidable turnover happens in unavoidable circumstances from life decisions that extend beyond an employer's control, such as a decision to move to a new area , death of employee or a job transfer for a spouse (Sandra, 2012).

C. Voluntary Vs Involuntary Turnover:

Voluntary turnover occurs when employee chooses to leave his/her organization for whatever reason at his/her own will. Some of the reasons are better job opportunity, job dissatisfaction, bad working conditions etc. It is true that high level of voluntary turnover is to be negative for the organizational development. Some scholars have identified that the major factor for voluntary turnover is job dissatisfaction (Dess and Shaw, 2001). If employees become dissatisfied with their job, they can be motivated to search for another organization with better situation. The labor

market is also another factor for voluntary turnover to motivate employees and to find alternative employment opportunities. If the labor market situation is not favorable, however, even if they are dissatisfied with their jobs, they remain until another job is available (Meshane and Glinow, 2000).

Involuntary turnover generally occurs for reasons which are independent of the concerned employee such as when organizations incur losses or unavoidable expenses, and perceive the need to cut costs, re-structure or downsize (Allen, 2000). Involuntary turnover occurs when an organization decides to terminate the employment contract and similar actions taken on an employee to leave the organization.

2.1.3 Turnover Rate

Employee turnover rates can serve as a valuable administration tool. Their translation, however, requires a great deal of care. Low turnover can signal good employee-employer relations or stagnation. High turnover can mean costly loss of experienced staff or the presentation of required new ability and new ideas.

Increases and decreases in turnover rates can indicate changes in labor market conditions and employee reaction to alterations in working conditions, management practices, and compensation policy. (Mark Musell, 1986)

Turnover has a significant impact on an organization and this needs to be measured;

The separation rate is calculated as below;

$$\frac{\text{Number of leavers} \times 100}{\text{Average No. Employed}}$$

And the other formula that is used to calculate the retention of more experienced employees, the stability index;

$$\frac{\text{No. Employees with one year's services (or more) on particular date} \times 100}{\text{No. Employed one year ago to the date}}$$

2.1.4 Concept of Turnover Intention

As intention to quite or leave is an individual desire or willingness to leave the organization, turnover intention has been found to be one of the major determinants of turnover behaviour (Malik, Danish and Munir, 2011). It's a major challenge for the organization to retain workforce a lot of cost is incurred on them directly or indirectly. Instead of looking how to retain employees after they decide to leave it's better to study the antecedent of Employee turnover intention before it happens in that way organization can be protected from negative consequence of employee turnover.

2.1.5 Antecedent of Employee Turnover Intention

The antecedent of turnover intention can be seen from three factors. The first factor is personal factor. It's an employees' own factors mainly include age, gender, education level, marital status, years of working, individual ability, responsibility and so on. The second factor is social and economic factor which is Society's economic development level, labor market condition, employment system, job opportunities, enterprise property, transportation, housing, education and health care facilities, the cost of living, quality of life and so on all have an impact on employee's turnover intention. The third factor is organization and work factor it includes organization culture and structure, enterprise benefit and prospect, organization scale, monetary reward and promotion, relationship, training and development, employee involvement, individual work attitude (job satisfaction) and organizational justice will influence employee turnover (Zhang, 2016).

However, the aim of this paper was to study the organization and work factor that contribute for antecedents of employee turnover intention in Awash insurance company from six factors which are monetary reward, promotion, training, job satisfaction, employee relationship and organizational justice. So that it can provide some suggestion to reduce turnover intention in the company from the perspective of organizational factor.

2.1.6 Organization and Work Factors

2.1.6.1 Monetary Reward

Monetary reward has been defined in such a way like cash or equivalent that an employee receives against his/her services from the employer. Here equivalent reward includes fringe benefits, medical facilities and provident fund. Most employees feel that they are worth more than they are actually paid. There is a natural disparity between what people think they should be paid and what organizations spend in compensation. They further argue that when the difference becomes too great and another opportunity occurs, turnover can result. Pay is defined as the wages, salary, or compensation given to an employee in exchange for services the employee performs for the organization. This reward helps to raise job satisfaction or if it is not enough it will be antecedent for turnover intention (Ongori, 2007).

2.1.6.2 Promotion

Promotion is defined as the movement of a person to higher level position in the company: conceptually, promotion is also defined “the assignment to an employee to a higher level job within an organization” (Hissom, 2009).

As cited by Ncede (2013), Friday & Friday (2003) stated promotion satisfaction evaluates employee’s attitudes towards the organisation’s promotion policies and practices. In addition to this Bajpai & Srivastava (2004) suggest that promotion offers employees with opportunities for personal growth, more responsibilities and also increased social status. Research specifies that employees who recognize that promotion are made in a reasonable and just manner are most expected to experience job satisfaction.

Rapid turnover can result simply from poor selection or promotion decisions. It is essential to ensure that selection and promotion procedures match the capacities of individuals to the demands of the work they have to do. If the employees are not promoted on time they will leave the organization or at least they will have the intention to leave.

2.1.6.3 Training

According to Farid, (2004) another tool for staff retention is staff training. Training may help staff to become more competent and to enjoy their work even better. They may gain confidence in their work which in turn may boost their morale in reducing staff turnover and it will benefit business and save money .

By providing appropriate training and development the organization can enhance the employees' ability. When the employees ability is built he/she can take more responsibility more suited to promotion and progress and this in return keep the employee or reduce the turnover intention.

2.1.6.4 Job Satisfaction

A study by Elangovan (2001) as cited in Bintir, (2012) stated that job satisfaction of the employee will determine the employees intention towards turnover. The lowest the job satisfaction is, the higher the turnover intention will be. Further, Saeed et. al (2014) sated job satisfaction is the feeling of getting achievement which you practice in the job. Job satisfaction has a negative impact on turnover intention. High job satisfaction is associated with low turnover intention and low job satisfaction leads toward high turnover intention. It is the best indicator of employ intention to perform. If the employees are satisfied with their jobs in terms of roles and duties then there will be no need for them to leave the organization they will work extra hard.

2.1.6.5 Employee Relationship

Employee relationship among each other with the same department or with the different department has a significant impact in employee turnover intention. When a company or department have complicated interpersonal relationship it'll affect the work environment in return it'll increase the intention of turnover. In order to have good and interconnected relationship among colleagues and boss the employer need to take time to bring friendship and belonging among employees if not it will most likely generate turnover intention (Zhang, 2016).

Employee involvement in the organization in designing the job like how employees' time is used, evaluating his/her performance and providing his/her opinion in how to improve the working environment make the employee to feel belongingness, and the commitment and support that is shown to employees by the management would motivate employees to stay in organization(Ongori,2007).

As discussed in the above paragraph, good and cohesive relationship among workers of the Company can reduce turnover.

2.1.6.6 Organizational Justice

Organizational justice is the study of the fairness in the organization and how the people perceive it. It is the perception of fairness according to individuals. "At its most general level, Organizational justice is an area of psychological inquiry that focuses on perception of fairness in the workplace. It is the psychology of justice applied to the organizational settings". It becomes imperative for the organization to have committed and loyal employees, thus the organization needs to be fair in its system regarding distributive justice (fairness of outcomes), procedural justice (fairness of process), and interactional justice (fairness of interpersonal treatment one receives from authority figures) . When employees feel that they are treated fairly by the organization in every aspect , they are inclined to show more positive attitude and increased commitment towards their jobs. Overall it will bring the turnover intention to its minimum level in the organization (Cropanzano and Greenberg, 1997).

2.2 Empirical Review

A research on “The Effects of Organizational Learning Culture and Job Satisfaction on Motivation to Transfer Learning and Turnover Intention” by Egan, Yang and Bartlett (2004) concluded that learning organizational culture is associated with employee job satisfaction and motivation to transfer learning. Turnover intention was found to be negatively influenced by organizational learning culture and job satisfaction.

According to Etornam et al. (2017) the causes of labour turnover in Zoomlion Ghana Limited are lack of motivation influence their decision to leave, lack of good working conditions, lack of recognition of one’s effort, lack of staff training and development, work loaded is too much, unfair management treatment, low career development opportunities, pursue of higher education, lack of promotional opportunities, lack of proper supervision, and poor chances of improving skills.

Ampomah and Cudjor (2015) study was on the effect of employee turnover on organizations with reference to the Electricity Company of Ghana (ECG), in their case study research design, sampled forty respondents from all levels of management in the company by using simple random sampling technique. A high response rate of 95% was obtained using the personal method of data collection,

based on which the analysis was made using the frequency tables. The study found that lack of promotion was the primary cause of employee turnover in ECG.

A study made by Tassew (2015) shows that Job stress and turnover intention have positive relationships. Another study by Yukunoamlak (2015) found dissatisfaction with benefits and reward system, the poor job and organizational specific communication, dissatisfaction with the work itself are the most important organizational factors to cause turnover intention of employees.

There is also some literature that suggest all employee turnover doesn't mean it has a negative effect. Meier and Hicklin (2007) on “Employee Turnover and Organizational Performance: Testing a Hypothesis from Classical Public Administration” examines a provocative but little supported hypothesis that has recently emerged in the private sector literature that turnover may provide positive benefits to the organization, at least up to a point. Using data from several hundred public organizations over a nine-year period, they tested the proposition that moderate levels of turnover may positively affect organizational performance.

Sometimes employee turnover benefits organizations positively. This might happen when a poor performer is replaced by a more skilled employee and when a retired employee replaced by a younger one. Voluntary turnover can improve workforce performance by revitalization that is, by increasing workforce innovation, flexibility, and adaptability (Abelson & Baysinger, 1984; Dalton & Todor, 1979).

If employee turnover is not managed properly it would affect the organization adversely in terms of personnel costs and in the long run it would affect its liquidity position. However, voluntary turnover incurs significant cost, both in terms of direct cost and indirect costs. Direct costs relate to the leaving costs, replacement costs and transitions costs, and indirect costs relate to the loss of production, reduced performance levels, unnecessary overtime and low morale. (Dess et al. 2001)

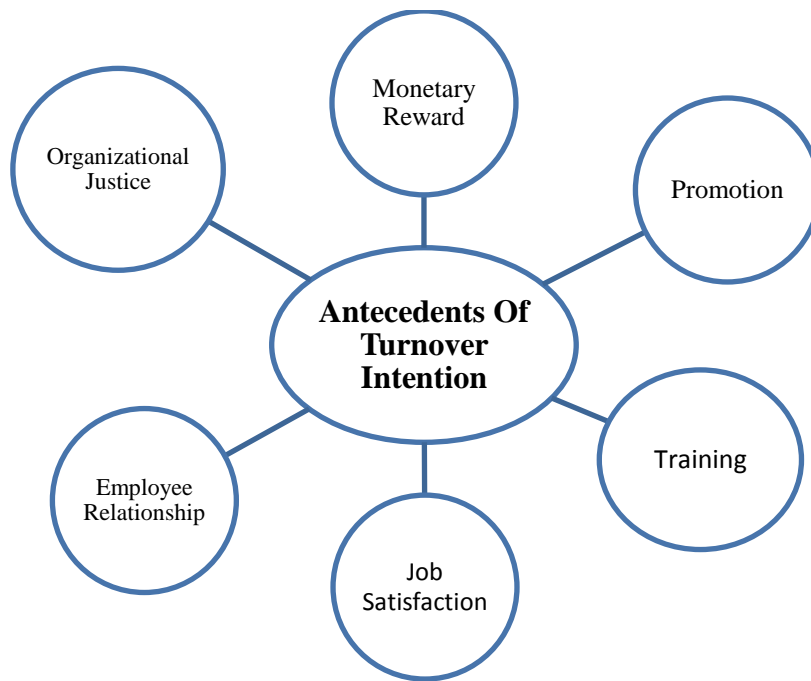
From the above reviewed literature, it can be observed the researchers employed different methods of approach and analytical techniques, and there was little consistency in their findings, Based on their findings, there are several reasons why people leave their employers. These range from job related factors to personal characteristics of the employee. Among the factor that was considered organizational and work factors were organizational learning culture, job satisfaction, lack of staff

training, work load, lack of promotional opportunity, salary and benefit structure. This research studied the organizational factors that are antecedent of employee turnover intention in the insurance company. These reflect the exact condition of employee intention to leave the company for organizational and work factor.

2.3 Conceptual Framework

Based on the overall review of related literature and the studies made, the following framework was developed. The framework tries to explain in a diagram that organization and work factors which are Monetary Reward, promotion, Training, Job Satisfaction, Employee Relationship and Organizational Justice are the antecedents of turnover intention which bring employee turnover through time.

Figure 2.3: Conceptual Framework



Source: Developed based on the literature review conveyed

CHAPTER THREE

STUDY DESIGN AND METHODOLOGY

This chapter provided the details of the research strategies that were adopted to address the research issues identified above together with the means of collecting data for analysis, and the analysis approach. The method and procedures that are used in this study are presented under the following Subheadings: Research Design and Approach, Target Population and Sampling Technique, Data Collection, Data Analysis, Description of Variables and Operation of the Study Variables.

3.1 Research Design and Approach

Research design is a blue print which facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible hence yielding maximum information with minimal expenditure of effort, time and money (Kothari 2004).

Descriptive study according to Kothari (2004) are those studies which are concerned with describing the characteristics of a particular individual, or of a group, whereas diagnostic research studies determine the frequency with which something occurs or its association with something else. Descriptive is the most commonly used research method in social research. Juliet (2004) indicates that results from such a survey method are easily extrapolated to the entire population. Besides this, the method is time saving, and less costly, the fact that the population was big and the researcher was meeting all the costs.

Descriptive survey research method employ both qualitative and quantitative approach. This method was selected because it is planned method of data collection which helps to gather the necessary information on the issue under study. Thus, the descriptive survey method was employed to achieve the objectives of the research, since it shows prevailing conditions of particular trends. Also it is one of important tool to use quantitative approach in manageable form. The researcher also used qualitative purposive explanation.

In terms of time horizon, Saunders et al (2007) has classified research design into longitudinal or cross-sectional. A cross-sectional design focuses on a particular phenomenon at a specific period of time. In this case, one sample of a population can be taken and studied at a particular time as in a single cross-sectional study or two or more samples of a target population could be studied once as in multiple cross-sectional study (Malhorta & Birks, 2007). On the other hand, longitudinal study is a study where a particular phenomenon is studied at different period of time. In this study, the researcher used a cross-sectional study because data was collected from a cross-sectional of employees of Awash insurance company.

3.2 Population Sample Size and Sampling Techniques

3.2.1 Population Sample Size

The research adopted primary data collection methods, the researcher used both probability and non-probability sampling to select the respondents from the total population being included in the study. The study respondents were from different directorates of the organization selected on purposive bases (non-probability sampling) because officials or experts who are directly working on the issues are expected to have rich knowledge data than other persons. Representative employees from the existing employees were selected based on systematic sampling to fill survey questionnaire.

In the case of Awash Insurance Company the population size was 185 in the head office as of Dec, 2017, The researcher used 95% confidence level, P=0.5 (maximum Variability) and the desired precision level $\pm 5\%$.

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

Legend: n = Sample size N= Population Size e= the desired level of precision

Awash Insurance has 185 employees in the head office ; the required sample size is as follows

$$n = \frac{185}{1 + 185 (0.05)^2} \approx 133.77$$

$n = 185/1.4625 \approx 126$ or 68.11% of the population

3.2.2 Sampling Techniques

The sampling process was based on the categorical classification of the Human Resources Management Process of the insurance, i.e. Administrative & Managerial, Professional, Clerical, Transport & Production and Service Workers are included with a total number of 185 population sample size. Stratified sampling was used to select the population surveyed because stratified sampling allows the researcher to obtain a greater degree of representativeness; it reduces the probable sampling error to ensure that all groups in a population are adequately represented in the sample, by randomly choosing subjects from each stratum. Accordingly strata or groups were selected from each directorate office there by determining the sample size proportionally and then random sampling method was used for questionnaire distribution purpose among the selected groups according the sample size. To do this the researcher has found information about the current number of employees from the human resource directorate for purpose of group identification and sample size determination.

3.3 Data Type and Source

The data in this study used both primary and secondary data. Qualitative data is obtained from primary source whereas from the secondary source quantitative data was gathered.

Primary data was collected from Awash Insurance Company's employees using questionnaire and interviews. The questionnaires and interviews were adapted from journal of Kim, Tam, Kim & Rhee (2017), Saeed et.al. (2014) and thesis conducted by Yukunoamlak (2015) and Abdulmohsin (2015) under related research title. The secondary data collected via detailed review of related literature i.e. books, articles, journals, magazines, bulletins, annual reports, local and international newspaper related with issues of turnover intention.

3.4 Instruments of Primary Data Collection

3.4.1 Questionnaire Survey

A questionnaire was distributed to all 126 employees of AIC. The questionnaire was structured in both Open-ended and close-ended question type. As the researcher, it was interested collect the original data from a population, the populations very big to observed or interviewed. Thus, a survey by a questionnaire considered the most appropriate method for measuring the perceptions of the workers, while minimizing the possibility of researcher bias. The data was distributing and collect by the researcher and the structured questionnaire was also employed with five point Likert ranking scale.

3.4.2 Interviews

In the qualitative strategy, Structured interview conducted with the human resource director and staffs who work in human resource directorate of Awash Insurance Company. The major purpose of this interview was to design an interview in a way that is more specific and to support responses regarding questioner's truthfulness. Therefore, the structured interviews conducted to enhance and supplement the results of questionnaires.

3.5 Procedures of Data Collection

Questionnaire survey is the most common method and it was adopted in this research. The researcher designed two surveys the 1st was a questionnaire to get quantified results. The second survey was interview aimed to collect data from Human resource expertise in addition to questionnaire and interview data collected from company various documents like annual report, local and international newspaper related with issues of turnover, research reports, books and journal and all questionnaires are used for academic purposes and that confidential was assured no one would fall a victim because of any adverse findings in connection with their job.

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

- Data collection tools were questionnaires and interviews
- The questionnaires developed for current employees and pilot test checked for reliability
- Correction was made based on the feedback obtained from pilot test
- The Amended questionnaire was delivered by hand to respondents at their work place during working hours and collected through assistants
- Interview was conducted to human resource director and expertise
- Descriptive statistics data analysis method was applied to analyze quantitative data

3.6 Pilot Testing

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

Table 3.6.1: Case processing summary

	N	%
Cases Valid	25	100
Excluded	0	0
Total	25	100

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

Table 3.6.2: Reliability Statistics

Variables	Cronbach`s Alpha Based on Standardized Items	No of Items
Monetary Reward	.71	5
Promotion	.78	4
Training	.71	4
Job Satisfaction	.79	4
Employee relationship	.80	4
Organizational Justice	.78	4
	.761	25

As shown on table 3.6.2, the data was collected from liable sources respondent who have experiences in Awash Insurance Company furthermore the study has been checked by other colleagues to determine its clarity and the reliability of the research structured questionnaire also measured.

The reliability test measures the internal consistency of the questionnaire items and the coefficient value shall be above 0.7. The rational for internal consistency is that individual items or indicators of the scales should be measured by some construct and must be inter-correlated. The pilot test with twenty-five sample respondent's data of Awash Insurance Company has been processed in SPSS to determine the Cronbach's alpha result for study of the assessment of employee turnover in the firm and the result was 0.780 it is above 0.7 the result was acceptable.

Content validity involves the degree to which the study is measuring what it is supposed to measure. More simply, it focuses on the accuracy of the measurement (John et.al, 2007). All measures used to construct the instruments have shown acceptable level of construct and content validity in previous studies and are used in this study with slight modification.

Sample questionnaires were administered before distributing finalized one for 25 respondents and adjustments were made to the questionnaire items based on the comments of the respondents and critically were censured by thesis advisor.

3.7 Methods of Data Analysis

Data was analysed using descriptive statistics. Variables such as gender, age, education level and service year in the company is also analysed using descriptive statistic mainly number, frequency and percentage.

Descriptive statistics analysis was applied for the presentation, interpretation and discussion parts on various dimensions of the evaluation system. Mean tables was used as appropriate to analyse, interpret, tabulate and present the result of the study. The data gathered through questionnaires was coded, entered into computer and analysed and presented in the form of tables by using SPSS Statics version20. The results of the interview questions were integrated to the responses of management and employees through questionnaires and were analysed accordingly. Finally, conclusions were made based on the results/findings of the study and recommendations were forwarded based on the analysed data.

3.8 Ethical Considerations

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

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter dealt with data presentation, analysis and interpretations of the analyzed data. It includes two major analysis techniques. The first section presents demographic features of respondents and the second section of the chapter discuss the results and implications of the findings.

4.1 Rate of administrated questionnaires

The data was gathered from 126 respondents. Out of these 126 questionnaires 123 were collected. From these questionnaires 121 were properly filled. Table 4.1 shows the questionnaires rate.

Table 4.1: Rate of administered questionnaires

	Questionnaires rate		
	Filled & Returned	Not correctly filed	Not Returned
Quantity	121	2	3
Percentage	96.03	1.59	2.38

Source: Survey result (2018)

As shown on Table 4.1, 96.03 % out of 126 respondents have properly filled the questionnaires, and the rest 1.59 % and 2.39 % questionnaires were not correctly filled and not returned respectively. According to Fryrear (2015), Response rates can soar past 85% when the respondent population is motivated and the survey is well-executed. The result shows that the data are adequate for the analysis.

4.2 Demographic Characteristics of the Respondents

The demographic characteristics of the respondents were assessed from the point of view of gender, age, qualification and working experience in the Awash Insurance Company. The details are as follows;

Table 4.2: Demographic Characteristic of the Employees Respondents

No	Item	Measurement	Freq.	Percentage	
				Valid %	Cumulative %
1	Gender	Male	60	49.6	49.6
		Female	61	50.4	100
		Total	121	100	-
2	Age	18 - 20 Years	2	1.7	1.7
		21 - 30 Years	71	58.7	58.7
		31 - 40 Years	34	28.1	28.1
		41 - 50 Years	12	9.9	9.9
		Above 51 Years	2	1.7	1.7
		Total	121	100	-
3	Educational Level	Under grade 12	2	1.7	1.7
		Certificate	1	0.8	2.5
		Diploma	17	14	16.5
		Degree	88	72.7	89.3
		Masters & Above	13	10.7	100
		Total	121	100	-
4	Working Experience	Less than 5 years	68	56.2	56.2
		5-10 years	41	33.9	90.1
		11-15 years	9	7.4	97.5
		16-20 years	2	1.7	99.2
		Above 20 years	1	0.8	100
		Total	121	100	-

Source: Own survey, 2018

Item -1 shows the summary of respondents’ demographic factors. Accordingly, Item -1 of the table indicates out of 121 respondents, 49.6% is male and the rest 50.4% is female. Based on the information, we can infer that the employees currently working at company are more of balance from each gender.

Item -2 of the table specifies age distribution of the respondents. As the result the greatest number, 58.7% of the respondents are in their 21 to 30 age group, followed by respondents aged 31-40 to 41 to 50; 28.1%, 9.9% respectively. Respondents aged More than 51 and 18 to 20 have the same share which is 1.7%. So, most current employees are young, mature and active enough professionals.

Item -3 of the table is concerning the educational qualification of the respondents. accordingly, the largest numbers of the respondents 72.7% first degree holder followed by diploma holder 14% where as 10.7% second degree holder and above. The rest of the respondents are 1.7% and 0.8% under grade 12 and have certificate respectively. Depending on the respondents' response, one can conclude that most of the respondents are qualified and have a good educational background.

Item -4 of the table is regarding the working experience or service years of the respondents in the organization. It indicates that 56.2% of respondents have less than 5 years of experience, 33.9% for 5 to 10 years, 7.4% for 11 to 15 years ,1.7 % for 16 to 20 and only 0.8% for more than 20 Years. Therefore, the majority of the respondents have been working for less than 5 years.

4.3 Analysis of Collected Data

In this section the data obtained on employee turnover from organizations' report, interview conducted with human resource director and staffs who are directly working in human resource directorate, and data collected through questionnaires from employees currently working at Awash Insurance Company were adequately analyzed and presented in tabular forms, and accurate interpretation drawn from them. Additionally, several phases of data analysis and data validation is done such as: validity test, reliability test and other analysis using the SPSS.

In order to answer the questions in the questionnaire respondents have to select their choice of answer based on the five-point scale according to their opinion on each question. The five-point scale is used to measure the level of the factors as shown in Table 4.3

Table 4.3: Five-Point Scale

No.	Choises	Score
1	Strongly disagree	1
2	Disagree	2
3	Netural	3
4	Agree	4
5	Strongly agree	5

Source: Research Questionnaire, 2018

The respondents were requested to indicate their perception on the variables. In a Likert scale, the range was Strongly disagrees (1) to strongly agree (5). According to Zaidaton & Bagheri (2009) the mean score below 3.39 ($1 \leq \text{low} \leq 3.39$) was considered as low, the mean score from 3.40 up to 3.79 ($3.40 \leq \text{Moderate} \leq 3.79$) was considered as moderate and mean score above 3.8 ($3.8 \leq \text{high} \leq 5.0$) was considers as high as illustrated by Comparison bases of mean of score of five point Likert scale instrument.

In the following pages analysis and interpretation are made based on the questionnaires collected and from the interview response

Table 4.4: Respondents’ Attitude towards Monetary Reward

The respondents were requested to indicate their attitude on monetary reward

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I am satisfied with my current salary, because it is equitable with my work load	121	1	5	1.93	1.119
I am happy with other benefits like covering medical expense or any fringe benefits	121	1	5	2.24	1.111
This company pays a fair salary compared with other private insurance companies, so that I will not leave this company	121	1	5	2.23	1.039
The company offers you financial reward for best performance	121	1	5	2.26	1.055
I will leave the Company, if I am offered a better financial reward in other company	121	1	5	3.76	1.000
Valid N (list wise)	121				

Average Mean=2.48

Source: Own survey result, 2018

Table 4.4- shows the summary of to what extent respondents agree or disagree about monetary reward system at Awash Insurance Company. As shown in the descriptive statistics of table 4.4, respondents have very low satisfaction with their current salary they received a mean of 1.98. The same view regarding being happy with the other benefits like covering medical expense or any fringe benefit (Mean=2.24) and on company fair salary payment compared with other private insurance companies the dissatisfaction rate was mean of 2.23, There is also dissatisfaction in the financial reward for the best performance (Mean=2.26). On the other side, the employee was moderate about their response when they were asked they will leave the company, if they are offered better salary with mean of 3.76.

From the Likert Scale result an average mean 2.48 with inclination of low satisfaction. The study concludes that employees are dissatisfied with the company's monetary reward system. The highest number of employees is not satisfied with the current salary and the benefit they receive other things remain constant.

From the interview analysis, the director and staffs in human resource directorate replied there is a frequent turnover and some of the reasons are better opportunity in terms of salary and benefits. They also replied the most influential factor is salary and benefit to leave the company. It appears the result of the interview goes with the questionnaire result that indicates monetary reward played antecedent for an employee to have an intention to leave the company.

This finding confides with the finding of Ongori (2007), which conclude that low monetary reward will bring job dissatisfaction and in return it will be antecedent for turnover intention.

Table 4.5: Respondents' View on Promotion

The respondents were requested to indicate their view on promotion

Descriptive Statistics

Statement	N	Minimum	Maximum	Mean	Std. Deviation
I have equal opportunity with other employees in this company to get promotion on timely basis	121	1	5	2.83	1.254
I am happy with transparency of the promotion procedure of in this company	121	1	5	2.72	1.142
Performance appraisal plays a great role in promotion policy in my company	121	1	5	2.85	1.152
I will leave the company if I don't get promotion when it is appropriate	121	1	5	3.64	1.088
Valid N (list wise)	121				

Average mean=3.01

Source: Own survey result, 2018

Table-4.5 shows the summary of to what extent respondents agrees or disagrees in terms of promotion opportunity. Respondents disagreed on the equal promotion opportunity the employees get on timely basis (Mean = 2.83), Transparency of the promotion procedure (Mean = 2.72) and promotion on the basis of performance appraisal (Mean = 2.85). The tendency of the employees leaving the company if they don't get promotion when it's appropriate was moderate but have an inclination to agree with the idea.

According to Abdali (2001) when Employees perceive no desire to advance within the system, they have no reason to remain in the current work situation. The data collected above indicates average mean of 3.01 which is low satisfaction response in the Likert Scale. The interview result also suggested one of the reason for a turnover intention is lack of promotion which supports the questionnaire result,

As the result in the above showed majority of the employees are dissatisfied with the promotion procedure, they don't believe they get the promotion on time and not happy with the promotion procedure this company is taking as a result they will have the intention to leave the company without pre condition if they get promotion somewhere else.

Table 4.6: Respondents' perception on Training

The respondents were requested to indicate their view on promotion

Descriptive Statistics

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Training is given to me regularly based on the job requirement	121	1	5	2.91	1.285
The company usually arranges training packages that help employees to get updated with different systems	121	1	5	3.62	1.074
I am happy with the type of training given by this company	121	1	5	3.41	1.070
Company training helps employees to stay in the organization and look forward to much bigger challenges	121	1	5	3.54	.992
Valid N (list wise)	121				

Average mean=3.37

Source: Own survey result, 2018

Table 4.6 tries to explain regarding Training, Respondents have rated training based on the job requirement in getting training regularly (Mean = 2.91) which is low satisfaction in Likert Scale. The respondent are moderate with the training package (Mean =3.62), Type of training (Mean = 3.41) and training helping employees to stay in the organization and look forward to much bigger challenge (Mean= 3.54) which shows mild satisfaction with the company's training opportunity but they not fully satisfied.

The average mean in the table 4.6 of the data collected showed 3.37 with inclination towards low score in the Likert scale. From the result one can conclude that most respondents are not pleased with the companies training.

According to Farid, (2004) another tool for staff retention is staff training. Training may help staff to become more competent and to enjoy their work even better. From the result one can conclude training is one of the reason for the employees to have an intention to leave the company citrus parabus, because most of the responds are not comfortable with the training opportunity.

Table 4.7: Respondents’ Opinion on Job Satisfaction

The respondents were requested to indicate their opinion on job Satisfaction

Item	N	Minimum	Maximum	Mean	Std. Deviation
I am satisfied with my job	121	1	5	3.17	1.333
I don't feel appreciated enough for the work I perform	121	1	5	3.07	1.250
I am not happy with the nature of my job, it is boring and tire some	121	1	5	2.89	1.315
I am satisfied with career advancement my company offers	121	1	5	3.24	1.118
Valid N (list wise)	121				

Average Mean=3.08

Source: Own survey, 2018

Table 4.7 indicated that respondents have disagreed about being satisfied in their present job (Mean = 3.17), feeling appreciated enough for the work (Mean =3.07), the nature of the job being boring and tiresome (Mean =2.89) and being satisfied with the career advancement with the mean of 3.24. These data indicates an average mean of 3.08 score which is low in Likert Scale. The interview result suggested also the work load is one of the factors that dissatisfy the employee and increase the intention to leave the company.

A study by Elangovan (2001) as cited in Bintir, (2012) stated that job satisfaction of the employee will determine the employees intention towards turnover. The lowest the job satisfaction is, the higher the turnover intention will be. As it's discussed in the above paragraph the data showed low

score in job satisfaction. This implies there is dissatisfaction with the job and it enlarges the employee intention to leave the company.

Table 4.8: Respondents’ view on Employee relationship

The respondents were requested to indicate their view on job Satisfaction

Descriptive Statistics

Item	N	Minimum	Maximum	Mean	Std. Deviation
I have good relationship with my colleagues in this company	121	1	5	3.98	1.172
My boss gives me a chance to evaluate my performance before s/he evaluates me	121	1	5	3.68	1.286
My supervisor is friendly and supportive	121	1	5	3.80	1.152
I will look for other job, if the relationships I have with colleagues is not good	121	1	5	3.75	1.178
Valid N (list wise)	121				

Average Mean=3.8

Source: Own survey result, 2018

In relation to employee relationship discussed in literature review, whenever employees have good relationship among each other and feels friendly with their boss they will feel belongingness and will stay in the company. In line with this, respondents were asked to give their response and as you can see from table 4.5 there were four items under employee relationship. If one observes the response for good relationship with colleagues (Mean = 3.98), the respondents also agree with the statement the boss giving a chance to evaluate performance and supervisor being friendly with a mean of 3.68 and 3.8 respectively. Over all the respondents agreed they have good relationship among the employees and with their boss. Specifically, respondents replied with a mean of 3.75 if the relationship is not good, they going to look for the other job which implies moderate score. The average mean for respondents’ employee relationship was 3.8 which show high rating in employee relationship.

To sum up, currently the employees have good relationship with colleagues and their boss but the company should work to keep the good relationship, if not employees will have an intention to leave the company.

Table 4.9: Respondents’ insight on organizational Justice

The respondents were requested to indicate their insight on organizational Justice

Descriptive Statistics

Item	N	Minimum	Maximum	Mean	Std. Deviation
The organization is faire in treating employees equally	121	1	5	2.75	1.149
I believe my company distributed responsibility and rights fairly according to position held	121	1	5	3.17	1.167
Management treats me with fairness and respect	121	1	5	3.32	1.178
Whenever I feel there is no organizational justice, I would look for outside opportunities	121	1	5	3.79	1.299
Valid N (list wise)	121				

Average Mean=3.24

Source: Own survey result, 2018

Table 4.6 indicated that respondent have disagreed on organizational fairness in treating employees (Mean = 2.75), distribution of responsibility and rights within the respondents according to the position they held (Mean = 3.17), treatment by the management (Mean = 3.32). The respondents highly agreed with the idea they would look for outside opportunity, If they feel there is no organizational justice (Mean =3.79).The data presentation indicates an average mean of 3.24 with tendency towards low organizational justice.

According to Cropanzano and Greenberg, (1997) turnover intention will be minimal when employees feel they are treated fairly by the organization in every aspect. Over all, table 4.6 illustrated there is no organizational justice in the company as a result this factor is one of the reason that increase turnover intention in the organization others things remain unchanged.

Interview Analysis

This section presents the interview made with the director of human resource directorate and the staff that is directly working in the human resource directorate.

Does Awash Insurance Company make exit interview, when employees resign? (Why or why not?)

They replied that they usually make exit interview, the reason they make exist interview is to minimize the turnover rate.

Does the company use exit interview to mitigate problem of employee turnover?

The management and staffs informed they use the information they get from the exits interview So that they know the core reason for the employee to leave the company and take corrective action in the future.

Plan used by Awash Insurance Company to minimize turnover and turnover intention

The finding from the interview also indicates that, The Company is using experts to study the benefits and salary scale every two years, so that the benefit and salary balance with the cost of living and competitive scale. The other thing this experts study is the organizational structure to have comfortable environment for promotion.

In response for this interview even though the management is doing this as a plan, there is still high turnover in the company. Thus, emphasis should be given to study these factors more strongly by working closely with the employees.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the summary, Conclusion and possible recommendations based on the analysis and interpretation of the data that is collected through questionnaires and interviews.

5.1 Summary of Major Findings

- ✓ The result of the study indicates that the majority of the respondents disagree with monetary reward and with the promotion opportunity. The respond from the interview also highly support the monetary reward and promotion are the antecedent of turnover intention.
- ✓ As to Job satisfaction and organizational justice the respndents are dissatisfied for both of them but they are less disatsified comparinfg to monetary reward and promotion.
- ✓ Regarding training the majority of the respondent are not satisfied with the training opportunity and they are not happy with the type of training they receive.
- ✓ Concerning the employee relationship, the company have good relationship with each other and with their boss.
- ✓ The rank for each factor according to the disaffection, Which is from the first factor to last factor monetary reward , promotion, Job satisfaction, Organizational justice and Training will affect the turnover intention accordingly.
- ✓ From the interview result, Awash Insurance Company is using the exit interview and have a plan to minimize turnover intention in the company. The company is also implementing it but still it should work on in the monetary reward, promotion, job satisfaction, organizational justice and training policy. Special focal point should be given to the monetary reward and promotion policy.

5.2 Conclusions

Understanding factors that bring turnover intention is important to the company's success as well as for the implementation of effective retention strategies. Studies show that turnover intentions precede the actual turnover behaviour of employees. If the company wants to reduce staff turnover, then it is essential for them to understand the factors that are antecedent for turnover intentions among their employees. The intention for high employee turnover can be caused with different reason such as lack of proper monetary reward, promotion, being dissatisfied with the current job, employee relationship and organizational justice etc..

The major finding of this study is that the respondent among the antecedent of turnover intention monetary reward, promotion, Job satisfaction, Organizational justice and Training are the reasons for the employees to be dissatisfied.

According to the theoretical discussion and the findings of this study, level of intention to turnover for staffs is high when employees are dissatisfied with monetary reward, promotion, Job satisfaction, Organizational justice and training. The major factors were monetary reward and promotion which ranked the first and second factor respectively. From the six factors five factors was found to be an antecedent of turnover intention in the company which makes it the level of turnover intention on high side of the organization.

Hence, this high level of turnover intention of the employees will cause negative consequence for the company since it will eventually lead them to leave. And that will certainly result in huge cost on the company like losing productivity, decreasing organizations benefit, potential loss of valuable knowledge, skills and intellectual capital, and other indirect costs leading to loss of competitive advantage.

5.3 Recommendations

On the basis of the entire study, the following recommendations are made for Awash Insurance Company management consideration:

- The respondent also agree the organization have strong employee relationship and it's essential to have this kind of relationship because it'll make people comfortable with each other and work together as a single unit towards a common goal. Therefore, this is a positive practice that must be encouraged further.
- Employees are dissatisfied with their job and organizational justice. The company should work closely in these factors and improve the satisfaction level by appreciating employees who work hard by giving some incentives and by being open, consistent and fair to the employees to improve organizational justice in the company.
- The respondent also disagree with training opportunity and it should be improved further. Thus the company still have to work strongly like by supporting the training with technology for greater flexibility and engagement.
- Monetary reward is the most influential antecedent to cause turnover intention since employees have to compensate with monetary reward for the job they accomplished. if this is not fulfilled employees will look to somewhere else to get better monetary reward. Hence, the insurance company need to review and adjust the monetary reward frequently and introduce benefit mix to reduce employee turnover and to remain competitive in the insurance industry.
- Promotion also play a great role in retaining employees .promotion offers employees with opportunity for personal growth, employee responsibilities and increased social status and it will bring belongingness. In this regard employees are not satisfied and the organization need to take corrective action like giving promotion on time with the help of appropriate procedures.

5.4 Suggestion for further research

To address the limitation of this research, I recommended that further research can be conducted to investigate the personal factor and social & economic factors.

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ANNEX I

Research Questionnaire

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

To be filled by employees of Awash Insurance Co. S.C

This questionnaire is prepared by Jalene Hailu, who is MBA student at St. Mary's University. The purpose of this questionnaire is to collect data in order to study **Antecedent of Turnover Intention: The case of Awash Insurance Co. S.C (AIC)**. Kindly I request you to cooperate with me in filling the questionnaires as your genuine, complete, and timely responses are crucial for the success of my study. Besides, I would like to assure that the data collected using this questionnaire is purely for academic requirement and your responses will be kept confidential.

Hence, the researcher kindly requests you to respond each item carefully.

N.B.

- AIC S.C /Organization Stands for Awash Insurance Co. S.C
- Kindly give more attention and return the completed questionnaire as much as possible.
- If you need further explanation, you can contact me through our mobile no. 0911 99 52 32
- I thank you in advance for your cooperation & support

Section 1 – Demographic Information of the Respondent

Please fill the answer by putting (✓) mark

1. Gender : Male Female
2. In which age group are you?
18-20 years 21-30 years
31-40 years 41-50 years
Above 51 years
3. Educational level: Under grade 12 Certificate
Diploma Degree
Masters & Above

4. How long have you worked in this company?

Less than 5 years 5-10 years
 11-15 years 16-20 years
 Above 20 years

Section 2 – Questionnaires on Antecedents of turnover intention

Dear respondent, the purpose of this section is to give you a chance to tell how you feel about your present job, and if you are happy with the monetary reward, the promotion opportunity, training, your job, relation with your colleagues and the level of fair treatment in this company, or if you are not happy with AIC and may be intending to leave the AIC. On the basis of your answers and those of people like you, I hope to get better understanding about the turnover intention of employees in this company.

Instructions: Please indicate the level of agreement on the statement below by putting mark (✓), using the scale from 1 to 5 (Where 5=strongly agree, 4= Agree, 3= Neutral, 2 =Disagree and 1= strongly disagree).

SN	Statement	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Monetary Reward						
1	I am Satisfied with my current salary, because it is equitable with my work load.					
2	I am happy with the other benefit like covering medical expense or any fringe benefits, I receive for the service I provide					
3	As compared to other private insurance companies the salary this company pays is fair, so I will not leave this company.					
4	The company offers you financial reward for your best performance.					
5	I will leave the company if and only if I am offered better monetary reward in other company					

Promotion						
1	I have equal opportunity with other employees in this company to get promotion on timely basis					
2	I am happy with transparency of the promotion process in this company					
3	In my company performance appraisal play a great role in promotion policy					
4	I will leave the company if I don't get promotion when it is appropriate					
Training						
1	Training is given to me regularly based on the job requirement					
2	This company usually arranges training packages that help employees to get updated with different systems.					
3	I am happy with the type of trainings given by this company (on job/ off job)					
4	Company Training helps employees to stay in the organization and look forward to much bigger challenges					
Job Satisfaction						
1	I am satisfied with my job					
2	I don't feel appreciated enough for the work I perform					
3	I am not happy with the nature of my job, it is boring and tiresome					
4	I am satisfied with the career advancement my company offers					
Employee relationship						
1	I have good relationship with my colleagues in this company					
2	My boss give me a chance to evaluate my performance before he/she evaluates me					
3	My Supervisors is friendly and supportive					
4	I will look for other job, if the relationships I have with colleagues is not good					
Organizational Justice						
1	The organization is fair in treating employees equally					

2	I believe my company distributed responsibility and rights fairly according to position held					
3	Management treats me with fairness and respect					
4	Whenever I feel there is no organizational justice, I would look for outside opportunities					

Dear respondent, if you have any suggestion with regard to what this company should mainly do to retain its employees let me know.

ANNEX II

Research Interview

St Mary's University
Post Graduate Studies
Masters of Business Administration

Dear Respondents

This Interview is designed to gather information about the antecedent of turnover intention. The case of Awash Insurance Company S.C (AIC)

The purpose of the study is to fulfill a thesis requirement for the Masters of Business Administration (MBA) at St Mary University. Your highly esteemed responses for the interview questions are extremely important for successful completion of my thesis. The information that you provide will be used only for the purpose of the study and will be kept strictly confidential. Finally I would like to thank you very much for your cooperation and sparing your valuable time for my request

Interview for Director and human resource experts

1. If there is frequent employee turnover in this company, why do you think that employees leave?

2. In your view which of these factors are most influential to lead the employees to leave?

3. Do you make exit interview, when employees resign?(why or why not?)

4. So have you used the information from the exit interview to mitigate problem of employee turnover?

5. Over all, to handle the turnover and turnover intentions, what is AIC doing as a plan?

DECLARATION

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

Name

St. Mary's University, Addis Ababa

Signature

June, 2018

ENDORSEMENT

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

Shoa Jemal

Advisor

St. Mary's University, Addis Ababa

Signature

June, 2018