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SCHOOL OF GRADUATE STUDIES**

**DETERMINANTS OF EMPLOYEYEE TURNOVER INTENTION:
THE CASE OF ETHIPIA SHIPPING AND LOGISTICS SERVICE
ENTERPRISE**

BY

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DECLARATION

I declare that the research entitled “determinants of employee turnover intention the case of ESLSE” is my original work, prepared under the guidance of Asst. Pro Gotiom Abraham. All sources of material used for the research have been duly acknowledged.

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ENDORSEMENT

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

Advisor

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May, 2018

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ACRONYMS

ESLSE- Ethiopian Shipping and Logistics Service Enterprise

HR- Human resource

MPSHRD- Minister of Public Service and Human Resource Development

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ABSTRACT

This study assessed the magnitude and cause of employee turnover at Ethiopian Shipping and Logistics Service Enterprise with the objectives of identifying different causes that are affecting and aggravating employees' turnover. Descriptive Research Design and Mixed research approach was used to describe the situation. Both probability and none probability sampling were used to select respondents and data gathered from both primary and secondary sources. Stratified & Simple random and purposive samplings were used to select the study participants. Questionnaire and interview were used for data collection. Descriptive statistics such as percentage, mean value, frequency were employed for data analysis. Based on the data analysis the following findings were forwarded. The finding show trend of employee turnover rate in the last few years was increased. From this perspective, the major activities of the enterprise were affected through employees' turnover. When well experienced, competent and skilled employees left the organization it affects the organizations performance decrease productivity, increase different cost like training, recruitment and individual inefficiency because of work load. The main finding shows market opportunity, mismanagement, lack of career development, unfair reward and promotion system, absence of clear reward system based on performance, lack of opportunity for job training and career advancement, absence of clear job description and specification and absence of Conducive work environment were the most significant causes or reasons for employee turnover. In general, the researcher recommended that the enterprise should be applying the strategy set attractive salary and different benefit package as much as possible, create / develop an opportunities for career development, providing fair reward and promotion system based on employee's performance, developing scientific management system which can avoid the poor management system, developed clear job description and specification for each position to retain skilled and competent man power in the organization along period of time.

Key words: Turnover, Human resources management, Employees

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In this continuous changing environment employee turnover is not only affecting the organization but also the employees working in it, Human Resources Management has a vital role to play in managing the organization resources and how employees are treated in the organization (Hassan, Hassan, Din Khan, and Naseem, 2011). Employees are an important asset to every company, business and organization. In fact, the success of every company or business is entirely dependent on the effectiveness of its workforce (Samuel & Chipunza, 2009).

Employee turnover is a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees. A huge concern to most companies, 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 be both internal and external factors or employer and the employees. Wages, markets, 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).

Companies incur direct and indirect expenses, which include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention, every time they have to replace an employee. These expenses can add up to anywhere from 30 to 200 percent of a single employee's annual wages or salary, depending on the industry and the job role being filled (Beam, 2009).

Organizations invest a lot on their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, managers at all costs must minimize employee's turnover (Kevin, Joan, Adrian, 2004).

Therefore, there is need to develop a fuller understanding of the employee turnover, more especially, the sources- what determines employee turnover, effects and strategies that managers can put in place minimize turnover. With globalization which is heightening competition, organizations must continue to develop tangible products and provide services which are based on strategies created by employees. These employees are extremely crucial to the organization since their value to the organization is essentially intangible and not easily replicated (Meaghan Stovel, Nick Bontis, 2002). Therefore, managers must recognize that employees as major contributors to the efficient achievement of the organization's success (Abassi, Hollman, 2000).

Employee turnover in organizations has received substantial attention from both academics and managers. Much of this attention has been focused on understanding its causes. Implicit in this approach is the assumption that turnover is driven by certain identifiable characteristics of workers, tasks, firms, and markets, and that, by developing policies to address these characteristics, managers might reduce the occurrence of turnover in their respective organizations. As noted by several observers, however, the consequences of turnover have received significantly less attention from researchers (Staw 1980, Mobley 1982, Glebbeek and Bax 2004). Turnover is one of the most study important issues to organizations, and one that needs special attention. It has some significant effects on organizations; new employees must be hired and trained, it is also needed to consider the time required for a new employee to be effectively productive. Staffs turnover is a warning sign of low morale and it is the amount of movement in and out of employees in an organization. In general, employees either leave their jobs voluntarily by their own decision or force to leave by the decision of the employer.

According to MPSHRD(2016), survey report conducted most of the determinants of employee turnover are internal and external factors such as low salary payment, insecure work environment, poor leadership style, market opportunity and inadequate training and development programs are some leading factors or cause of staff turnover.

Employees turnover is one of the factors which affect the organization's productivity; it is consider being one of the challenging issues in business nowadays (Johnson *et al.*,2000).

Hence, this study clearly conduct the determinants of employees' turnover intention, its management or retention mechanism were help in developing appropriate policy and training program at organizational level in particular.

1.2. Statement of the Problem

In today's competitive business world, it is considered to be an important task to manage employee turnover for any organization. Managing turnover successfully is an essential to achieve the organizational overhead goals (Philips, 1990).

Nowadays turnover is more serious than ever. Rapid technological change and frequent revolutionized new ideas have created competition among organizations which increases an employee turnover and separation. Developing countries are one of the major victims where brain drain intensifies the problems. A research conducted in different government owned college reveal that pay and poor management system are some of the serious and basic factors for employee to quit. According to the research conducted in 10 agricultural colleges, 82% of employees in the colleges have an intention to leave their current job (Getahun, 2005).

Solomon has conducted his research on Ethiopian Rod Authority (skilled work force turnover) in 2007 and concluded that the turnover is affecting the organization in terms of productivity, money and time. Other researchers conducted both internal and external factors leads to staff turnover and recommended further researches to investigate turnover and retention strategy (Aman, 2015).

It is argues that high employee turnover affects companies in several ways. First and foremost, when long time employees leave the organization, they often take away valuable institutional knowledge or intellectual assets with them. Second, high employee turnover forces business owners to focus their efforts on staffing. Whether the employees being replaced are senior-level executives, middle managers or entry level staff, business owners often bear the responsibility of recruiting, interviewing, and training new hires. And this is a great cost typically the equivalent of 50 percent to 150 percent of the salary for the position that is open (Dess & Shaw, 2001). High staff turnover has become a problems of both private and government institution. In our country well experience and qualify man powers leave their job they held especially from government institution.

Ethiopian Shipping logistic Service Enterprise (ESLSE) is one of the organizations which face with high rate of employee turnover in the last few years and this leads too poor organization performance which in turn affects on organizational effectiveness. When an employee leaves the organization the present employees have to fill the gap until a new employee is appointed. Employees' turnover affects on employee performance because they get disrupted on their daily work performance. The organizations spend lot of money on the recruitment and training of new staff members each year due to high turnover rate. There are numerous complaints from the customers regarding the performance of employees at the ESLSE, for lack of service quality and long delay periods for enterprise services (company report, 2017).

From the above arguments, this study intends to investigate the determinants of employees' turnover intention and proposes strategies to reduce the high rate of employee turnover or recommendations for improving organizational performance.

1.3. Research Questions

The study was guided by the following research questions;

- (i.) How is the level of employee turnover rate in ESLSE?
- (ii.) What are the determinants factors of employees' turnover intention in ESLSE?

1.4. Objective of the study

1.4.1. General Objective

The main objective of the study was to assess the determinants of employee turnover intention at Ethiopian Shipping and logistic Service Enterprise.

1.4.2. Specific Objectives

The specific objectives of the study include the following;

- (i.) To assess the level of employee turnover rate in ESLSE
- (ii.) To identify the determinant factors of employees turnover intention in ESLSE

1.5. Significance of the Study

Public and private sector organizations success had been measured mainly through delivery of quality service to their customers. This can be achieved through well formulate policy, strategy and programs, and retention of committed and competent employees. However, skill work force turnover can affect the organization has to achieve the intended objectives and expected results were not be achieved. This study was made concrete recommendation to the Enterprise to reduce employee turnover and improving organizational performance.

1.6. Scope/Delimitation of the study

Because of time and budget constraint, this research has been delimited to geographical location and the sample was restrict to ten departments at head office Ethiopian Shipping Logistics Service Enterprise (ESLSE) in Addis Ababa. It does not consider the branch office of the enterprise because of most of man powers are work in Head office. This research was also delimited to the data collection tools used. There are data collection tools such as questionnaire, interview, observation and experiment. However, the researcher used only questionnaire and interview type of data collection tools for this study.

1.8. Organization of the Study

The paper was divided into five sections. The first chapter includes background of the study, Statement of the problem, research questions, objective of the study, significance of the study, scope and delimitation of the study and organization of the study. The second chapter includes review of the related literature. The third chapter deals research methodology and the fourth chapter includes discussions and analysis of the survey data. The last chapter draws summarizing the findings, conclusions, forward some recommendations and limitation of the study.

1.9. Definition of terms

Employee turnover - is the rotation of workers around the labor market; between firms and jobs.

Employee retention - is a strategy or mechanisms to minimize employee turnover.

Turnover Rate - is the process leaving of employees increase or decrease in the organization in a certain specific years.

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.

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

$$\frac{\text{Total number of leavers over period}}{\text{Average number of staff employed over period}} \times 100$$

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

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Literature Review

2.1.1. Human Resource Management Defined

Before going to discuss issue related to the issue let, define the topic. Human resource management is defined as a strategic, integrated and coherent approach to the employment, development and well- being of people working in the organization. It has a strong conceptual basis drawn from behavioral science, strategic management, human capital and industrial relation theories (Armstrong, 2010).

2.1.2. Types of Employee Turnover

Employee turnover occurs when the employment relationship ends because of various reasons. Therefore there are different types of employee turnover.

2.1.2.1. Voluntary and Involuntary

Noe (2006), posit that when employees leave organizations at their own discretion, it is referred to as voluntary turnover. It is initiated by the choice of an employee.

According to Staw (2007), voluntary employee turnover can be caused by lack of job satisfaction, alternative job opportunities as well as job stress. When looking at voluntary turnover, it is important to consider attractions such as available alternatives. However, voluntary employee turnover can be predicted and in turn be controlled.

Involuntary employee turnover according to Booth and Hamer (2007), is a discharge that reflects an employer's decision to terminate the employment relationship. Griffeth (2003), reported that involuntary employee turnover includes death, retirement and dismissal. Boxall and Purcell (2003), further explained that turnover initiated by an employee such as resigning to take care of a terminally ill family member should also be considered as involuntary turnover since it

involves reasons over which the employee has no control. Carmelli (2003), also defines involuntary turnover as the need to cut costs, downsize or restructure due to reasons which are independent of the affected employees.

2.1.2.2. Avoidable and Unavoidable

According to Buhler (2002), reported that unavoidable turnover results from life decisions that extend beyond an employer's control, such as a decision to move to a new area. Avoidable turnover is something organizations can prevent by hiring, evaluating and motivating their employees more efficiently.

2.1.2.3. Dysfunctional and Functional

Dysfunctional turnover is the exit of high performers and employees hard to replace skills and which erode the company's work force and leads to high turnover cost and could be the result of a more appealing job offer or lack opportunities in career advancement. Functional turnover is the exit of poor performer employees and whose talents can be replaced easily.

2.1.3. Determinants of Employee Turnover

Employee turnover, in essence, results from job dissatisfaction for individual employee in the work place. However, being dissatisfied in a work is not the only reason of leaving the company. When employees possess skills that are in demand, they are likely to be tempted by a high salary, more benefits or better potential for career development. Consequently, it is sometimes necessary to understand and identify the difference between employees who are unsatisfied, leaving the job and those who quit for other reasons. There is a variety of causes and influential factors that result in employees' turnover of an organization.

2.1.3.1. Leadership

High employee turnover is caused by the instability in the management of an organization.

Employees are more inclined to stay and work when the organization is stable and friendly working environment (Bergmann and Scarpello, 2001). Zhang (2016) has quoted that "The participation degree of company or department decision also positively influences the level of job satisfaction, in turn, directly or indirectly affect turnover intention". Employees feel satisfied

about their work and stay longer in their positions to get them involved in the organizational decision making process. For this reason, workers should understand concerning issues that influence working environment (Khatri, Fern & Budhwar, 2001). One argument put forward is that a high turnover of labor possibly implies poor staffing and selection policy, poor supervisory system, weak grievance procedure and lack of motivation. All these issues can result in high labor turnover in the sense where there have been no appropriate managerial guidelines on personnel issues and, thus, employees decide to leave the job (Lambert, Hogan & Barton, (2001).

2.1.3.2. Working Environment

Working environment is low-grade due to lack of all the basic facilities such as proper lighting, working in a space with some natural light, ventilation, air conditioning system, open space, restroom, lavatory, furniture, safety equipment while discharging hazardous duties, drinking water and refreshment, workers will not be capable of facing up the difficulty for a long time (Singh, 2008). Besides, a bad boss creates an adverse working environment, thereby leading the employees to leave the job.

2.1.3.3. Pay

According to Shaw *et al.*, (1998), “Pay is something given in exchange for services rendered in an organization”. It has played a significant role in retaining and rewarding high quality human resources. To be more precise, one of the critical factors of employee turnover is lower salary. When employees’ receive lower salary and insufficient financial rewards, they tend to stay no longer with the organization (Lavob, 1997). It is often said that job dissatisfaction is the major cause of poor pay scale procedure, leading employees to leave the job. A good illustration of this is that a new employee may guess why the person next to him gets a high salary for what is supposed to be the similar job (Dobbs, 2001). A common opinion is that good pay can be a strong determinant of job satisfaction that leads to achieve higher productivity in the organization.

2.1.3.4. Fringe Benefit

A fringe benefit is an indirect reward given to an employee or group of employees as a part of organizational membership which affects performance and retention of employees (Dantong, J.S, 2007).

At the organizational level, fringe benefits are critical in attracting, retaining and motivating the employees to contribute their best towards organizations success (Mitchel, T.R, 2007).

Many organizations do not only use the fringe benefit to reward and recognize employees effort and contributions but also as a motivational tool to improve employees productivity through performance, thereby preventing the intention to leave and increasing career satisfaction. Fringe benefits have traditionally been designed to attract and retain employees and to motivate them to increase their efforts and output towards the realization of organizational goals (Quarles, R. 2007). The absence of fringe benefits in an organization will influence employees thought towards leaving the organization, thereby leading to high employee turnover rate.

2.1.3.5. Career promotion

In wide terms, reward program demonstrates the broad theory of compensation strategy which is described as the “deliberate utilization of the pay systems as an essential integrating mechanism through which the efforts of various subunits or individuals are directed towards the achievement of an organization’s strategic objectives” (Labov, 1997). The best way of promoting and motivating employees would be a combination of pay, promotion, bonus and other kinds of rewards to achieve organizational performance (Ting, 1997). The reason behind is that lack of promotion and ordinary work responsibilities considerably can lead to the intention of turnover (House, Shane & Herold, 1996). To an extent, employees consider leaving the organization due to the ineffective performance assessment and perceptions of job unfairness (Weiss and Cropanzano, 1996). By implementing “job enrichment” programs, organization would be capable of retain employee and to provide the opportunities for better career development (Magner, Welker & Johnson, 1996).

2.1.3.6. Clear Job Expectation

Organizations cannot fulfill the highest capacity of personal job demand; employees may have a feeling of job dissatisfaction that result in turnover intention. One of the major causes of employee's turnover is that employees depart the organization, while newly hired employees do not get their job expectations. Secondly, some employees are rather unlikely to be in a situation to tolerate few managers or supervisors and, hence, they come to a decision leaving their positions (Makhubu, 2006). As a consequence, it is more imperative for an organization to understand employee's job anticipation and, side by side, take necessary steps to fulfill their needs.

2.1.3.7. Perceived Alternative Employment Opportunity

Employees leave the organization if there is a possibility to get an alternative work (Luthans, 1995). However, it can be argued that this is an unmanageable issue, depending on the external environmental factors, such as job availability and the rate of unemployment.

A study conducted by Carsten and Spector (1987) found considerable relationship between job availability and voluntary turnover. To be more precise, perceived alternative opportunity may also be exaggerated by the market condition and educational background (Jacob,1998). We observe this when personnel with higher educational background is more qualified and experienced so that they can perceive alternative job opportunity (Cotton and Tuttle, 1986).

In other words, higher educated employees have more chance of upgrading their positions in comparison with less educated employees and are likely to consider their qualification as a competitive advantage.

2.1.3.8. Training and Development Programs

Training defined as the 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 word training is an act of increasing the knowledge and skills of an employees for doing a particular job.

As training and development is an organized procedure by which employee of organization gain knowledge, for new recruited employee training is a transaction or adaptation from theoretical approaches to practical situation. And for experienced employee it is a process of reorientation to

meet the additional job requirement (Manoj, 2000). It enables employees to coup-up with rapidly changing technology and the organization gain competitive advantage through its trained or skilled employees.

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. The company conducts or provides limited chance of training for its employees assigned in different work area.

Different researchers identified that inadequate training and development program that not goes to specific needs of employees led to job dissatisfaction. Regardless of their position and title, employees forced to leave their organization due to the absence of training (Sadra, 2012).

2.1.4. Effects of Employee Turnover

Employee turnover is expensive from the view of the organization. Voluntary quits which represents an exodus of human capital investment from organizations and the subsequent replacement process entails manifold costs to the organizations. These replacement costs include for example, search of the external labor for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit (John, 2000). Addition to these replacement costs, output would be affected to some extend or output would be maintained at the cost of overtime payment.

The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations (DeMicco and Giridharan, 1987; Dyke and Strick, 1990; Cantrell and Saranakhsh, 1991; Denvir and McMahan, 1992). Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Hogan, 1992; Wasmuth and Davis, 1993; Barrows, 1990). Hogan 1992, nearly twenty years ago the direct and indirect cost of a single line employee quitting was between \$ 1400 and \$4000. Turnover has many hidden or invisible costs Philips (1990) and these invisible costs are result of incoming employees, co-workers closely associated with incoming employees, co-workers closely associated with departing employees and position being filled while vacant. And all these affect the profitability of the organization. On the other hand turnover affects on customer service and satisfaction (Kemal *et al.*, 2002). Catherine (2002), argue that turnover

include other costs, such as lost productivity, lost sales, and management's time, estimate the turnover costs of an hourly employee to be \$3,000 to \$10,000 each. This clearly demonstrates that turnover affects the profitability of the organization and if it's not managed properly it would have the negative effect on the profit.

Research estimates indicate that hiring and training a replacement worker for a lost employee costs approximately 50 percent of the worker's annual salary (Johnson, Griffeth & Griffin, 2000). But the costs do not stop there. Each time an employee leaves the firm, we presume that productivity drops due to the learning curve involved in understanding the job and the organization. Furthermore, the loss of intellectual capital adds to this cost, since not only do organizations lose the human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets (Meaghan *et al.*, 2002). Therefore, 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 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/service quality, organizational memory) and the loss of social capital (Dess *et al.*, 2001).

2.1.5. Strategies to Minimize Employee Turnover

It is uncompromisingly indispensable to stay put the potential employees in the organization. Managers need to arrange training and learning program how to focus on key employee satisfiers and dissatisfies so that they can make a well balanced job design and control system to retain employees in the organizations (Staw, Bell & Clausen, 1986). One of the major causes of job dissatisfaction is poor income, which may result in employees leaving the organization. Therefore, it is more essential to build up a sound retention plans and have a good relationship between managers and workers in any organization.

2.1.5.1. Recruiting Suitable Employees

According to Hulin, Roznowski & Hachiya, (1985), staffing is designed at providing a pool of latent human resources from which business organization can select the suitable employees on the basis of job condition. Hence, if the organizations try to minimize the rate of employee

turnover, it is required to ensure that the suitable applicants have considered for recruitment and selection in the job. Recruitment is the process of attracting the potential candidates so that they will possibly contribute to the organization (Steel and Ovalle, 1984). It becomes noticeable that sound strategies are needed to draw an attention to the employees and motivate them to stay put in the organization. However, organizations should have the ability to identify the right, qualified and experienced employees and thus, this will lead to achieve the business goals. What this means is, businesses would have letdown or diminutive growth unless they recruit skilled workforce (Schervish, 1983).

2.1.5.2. Retaining Valuable Employees

Mobley (1982), describes that it is the responsibility of an organization to retain the potential employees because they will probably contribute the firm to reach the destination. The immediate cause of this, retaining the best employees for an employer could have a competitive advantages compared to others. HR management should take steps for an appropriate employee assessment so that the most suitable candidates are employed.

According to Mobley (1982), “The quality of an organization’s people is always an essential ingredient of successful strategy execution – knowledgeable, engaged employees are a company’s best source of creative ideas for the nuts-and-bolts operating improvement that lead to operating excellence”. Firms may employ next to kin of applicants as the best way to motivate and retain the top talent. Despite the fact of family reasons, this approach will minimize the family reasons to quit the organization, particularly, in the technical work.

2.1.5.3. Effective Leadership

It is fairly likely that employees will not stay in their jobs due to the lack of support from managers (Mobley, 1977). Many researchers are of the view that poor supervision is one of the leading factors of employee turnover and, hence, it is vital for an organization to coach its managers in order to improve their organizational and leadership skills (Porter and Steers, 1973). It comes to appear that employees do not have to be friends with their boss, but they need to have a good relationship with their respective boss. However, one argument put forward by management experts is that boss needs to provide direction and feedback, spend time in one-to-one meetings, and work with them cooperatively. HR managers often develop new ideas to

improve employee retention, but HR experts believe that one of the most important retention tools is being a leader instead of a manager, so they suggest that a manager needs to push towards the potential of employees and appreciate them in terms of their performance. It would be also a responsibility of an effective leader to take care genuinely about their concerns and provide tools for personal and professional development (Guion and Gottier, 1965).

An employee reports to undermine the employee's engagement, confidence, and commitment to have ataxic relationship with the individual. A bad boss is one of the reasons why employees quit their job. A good illustration for this is that boss keeps update information that employees need to succeed. He or she cannot perform his job or accomplish his goals without their help. So, manager shares a critical interdependence with employees. If manager rarely supports them to complete the tasks successfully, they cannot perform well in their assigned responsibilities. In fact, employees will not progress without the information, perspective, experience, and support of manager (Maertz and Griffeth, 2004).

2.1.5.4. Training and Career Development System

Training is the best reward that the enterprise give to employees, is also a kind of welfare of employees. At the same time, training is an important premise of staff promotion and self-development. In modern society, science and technology develop rapidly, the renewal speed of knowledge and skills is very fast, staff works in a company, not only want material returns, but also hope they can get better sustainable development. Enterprises that cannot improve employees' skills and abilities or cannot provide sustainable development opportunities for employees is difficult to keep good employees for a long time, enterprises should establish career management system, both have the organization career management system and individual career management system, so that enterprises and employees can get long-term development and realize 'win-win' between organization and individual. Enterprises should establish a career path for employees, make specialist tailor-made program in view of their talents and personality to meet the needs of the work, to help employees to give full play to their potential and reach the peak of their career. Enterprises can build dual career path for technical staff, provide a technical promotion path for technology workers, improve their status, and accordingly improve their welfare and treatment, make the technical personnel and management personnel have a way of promotion at the same time, thus retaining good technical personnel (Han and Liao, 2007).

2.1.5.5. Making a fair and Competitive Benefit, Establish an Effective Incentive

Mechanism

Employees, who worked in the company, hope to get a fair return. Employees on the basis of different capacity, contribution and revenue should have differences, but the income gap must be fair and reasonable. Enterprises must establish fair, just, reasonable and transparent compensation system and performance evaluation system, set up salary structure including basic wage (including post salary, seniority, salary increase, etc.), performance salary, overtime pay and welfare, at the same time, through right post evaluation, salary investigation, fair performance evaluation to ensure the successful implementation and operation of this system. Enterprises should also make benefit plan according to different level staffs' fond and demand, effectively motivate all levels employees. Reasonable compensation system will be good internal incentive mechanism.

2.1.5.6. Job Satisfaction

The job content and autonomy are the two major jobs related motivational factors that lead to an increase of employees' job satisfaction. Once employees realize that they are authorized to take part in the decision-making process, they could be motivated and desire to do their best for the organization. Shahzad, Bashir & Ramay, (2008) state that "Turnover studies primarily have established that satisfaction with supervision promotes job retention without necessarily identifying specific behaviors by supervisors that commit employees to the company".

Experts have identified some factors that are likely to make employees satisfied at work such as good pay, friendly working environment, cooperative colleagues, career counseling and opportunities for training and development (Sherman and Snell, 1998). It is also noted that "employees desire managers who realize and treat them fairly" (Dailey and Kirk, 1992). Unless managers are fair, logical and caring to their employees, it is fairly likely that they will not be happy about their jobs.

2.1.5.7. Unionization

One of the major advantages of labor unions for organizations is that they lead to less employee's turnover. It is quite probable that employees will not leave their jobs as frequently if

they are the members of labor union. One cause for this is that they have to pay dues to be a part of the union, and they typically do not want to lose their position in the organization. Labor unions are organizations in which employees bond together to create a collective voice for negotiations with employers. Previous studies suggest that labor union may be capable to provide safe and better working environment by the negotiations between labor and management, resulting in lower turnover (Ferguson, 1986). Another benefit is that labor union by their effective working can improve employee satisfaction. While employees deal with unions, they are likely to be more satisfied, as they have a voice to speak to the employer and get higher wages on average and fringe benefits packages. Therefore, labor unions help in reducing the rate of labor turnover and developing systematic grievance settlement procedures leading to harmonious industrial relations. Trade unions can, thus, contribute to the improvements in level of production, productivity and discipline, thereby improving quality of work life (Martin and Martin, 2003).

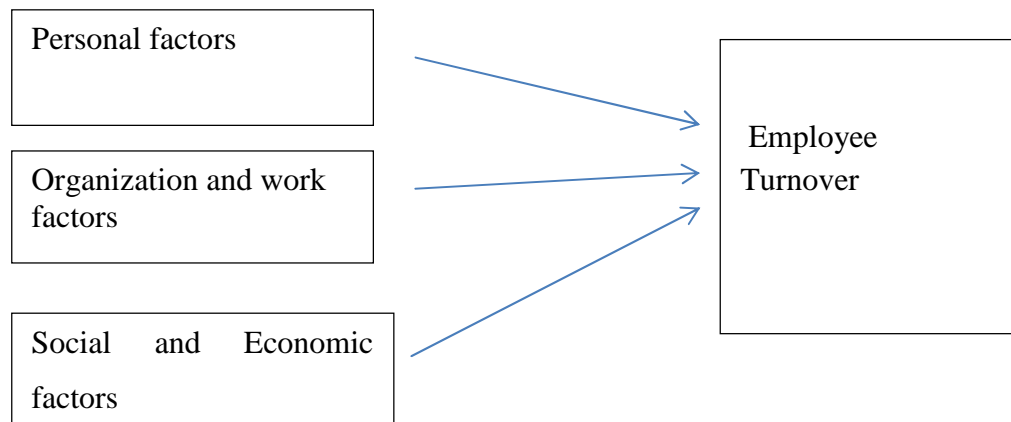
2.1.5.8. Organizational Culture

A well-developed organizational culture is one of the factors that influence the employees to stay put in the organization. If employees are not being contented with the culture, work environment, Organizational structure, the probability is that they will quit the job (Mowday, Koberg & McArthur, 1982). It is often said that organizations are able to attract and motivate employees by practicing the best organizational culture. Thus, it may lead them to continue work in the organizations.

2.1.6. Conceptual framework

A conceptual framework indicates how the researcher views the concept involved in a study, especially the relationship among concept. It can guide research by providing an illustration of theoretical constructs and variables of interest. Designing a conceptual model begins with conducting a thorough review of the literature. Therefore, researchers have developed a conceptual framework based on the determinants of employee turnover.

Figure :1



2.1.6.1 Personal Factors

Individual's own factors mainly include age, gender, education level, marital status, years of working, individual ability, responsibility are some factors and so on. Age, marriage, education levels and years of working in the organization are able to indirectly affect individual turn over intention.

When employees exist in units or post for a long time, they will feel tired, which can lead to turnover intention. Employees with young, inexperienced and high education level tend to have low level of satisfaction about jobs and careers, and have lower commitment to the organization; these negative attitudes are associated with turnover intention. Individual ability is one of the influence factors of turnover intention. When individuals are not competent at their job, or individuals have strong ability and cannot fully develop in the company, employees are likely to turnover. In short, the individual factors directly affect the turnover and turnover intention, or indirectly influence on them through the regulation of other variables.

2.1.6.2 Organization and Work Factors

Enterprise culture and system, enterprise benefit and prospect, organization scale, salary, payment and promotion, relationship, training, employee involvement, individual work attitude and organizational justice will influence employee turnover. Different organizational culture will

influence turnover. When a new employee entering into the organization, his individual value orientation and expectation need time break-in with organizational culture and management mechanism. The consistency of personal value orientation and organizational culture can predict employee retention. The higher the consistency, the greater the chance of retention. Employee personal goals and organizational goals fit well can successfully reduce the likelihood of employees leave the organization. The better the performance of the organization, on the other words, the higher the economic benefits of the organization, the more benefits and advantages can bring to individuals within the organization, such as increasing their income and welfare, the lower incidence of turnover behavior. The better enterprise prospect that employees can observe, the lower the probability of employee turnover.

The greater the size of the organization, the stronger the sense of employee security, employees are satisfied and proud of access to the mass organization, generally they do not want to leave the organization. Every employee has desire to play a particular character that suits him within the organization, the larger organization size, the more internal opportunities, and more role can be acted, good internal dynamic can improve employee's job satisfaction and reduce turnover behavior. Whether the company can provide training and learning opportunities for staff will also have significant effects on whether employees staying in the group. Employees always have ideal and ambition, if the company cannot give them the opportunity to learn, they cannot improve their abilities, cannot continue to grow, so that employees cannot even get self-realization in the company, they are likely to turnover.

2.1.6.3 Social and Economic Factors

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. Economic development well, industry personnel in short supply, employment situation relatively good, or job opportunities increase will lead to employee turnover intention. Transportation, housing, education and medical facilities are negatively related to the employee turnover to a certain extent. Under the condition of high cost of living, in order to make a living, the probability of employee turnover will increase. In pursuit of a better quality of life, the staff may choose to give up the current job for higher paying job.

2.2. Empirical Literature Review

2.2.1. Discussion about related Studies

Research done by Milanzi (2008), on Assessment of the causes and effects of labor turnover on banking industry, the case study design sampled 82 respondents to represent a population of Tanzania Investment Bank staff, she found out that the turnover was mainly caused by low remuneration packages, unequal treatment among Tanzania Investment Bank employees and lack of communication between the management and staff of other department.

She recommends that promotion and salary increments should be clear and open to every employee. Employees should be encouraged to read and understand human resources policy. Also all members of staff need to have information about organization production, its customers, its performance compared to the competitors, the strategy to win the market and their benefits.

The researchers have tried to find out the reasons for employee turnover in which their conclusion based on the job satisfaction. However, they did not indicate the effects of employee turnover. For that case, this study tried to embark intensively to investigate the effects of labor turnover in financial institutions.

Research conducted by Aman (2015), found that factors that are affecting employees' stability are both from external and internal. Favorable government policy, which encourages professionals to organize themselves and working their own business, better salary at external market, are external factors that are contributing for high turnover, while lack of good treatment for workers, problem on arrangement of logistic on workers, lack of recognition and encouragement they are getting for their better performances or and poor communication internal factors.

Research conducted by Beruk (2013), large numbers of current employees respondents 71% feel that the bank does not pay attractive salary in accordance to their experience, responsibilities and qualifications and also the amount of pay they received for their job is not equal to others employee doing similar work in other banks for them 66%.

He also concluded that, the majority of the current employee respondents 60% feel that the management of the bank does not shows a genuine interest in fixing the issues/ problems in their roles, Moreover, some of the current employees respondents 52% agreed that the supervisor treat employees unfairly and disrespectfully.

Majority of the current employees respondents believed that the overall work environment of the banks is not attractive 63% the amount of work load in their job is not attractive reasonable and sound 60% the bank is unfair in general.

Most current employees' respondents 71% have definitely an intention to leave the bank because most of them are looking for other job opportunity and whenever they get a job in another company they leave since most of them are not satisfied with the work environment in the current job.

Research conducted by Solina (2015), the main reason of high employee turnover that are found in the organization highly dissatisfaction of the employees with benefits they received , dissatisfaction with assistance that the employee received from the management lack of fair treatment by the management to all employees, information gap between the management and employees, unsecured /risky working environment dissatisfaction with promotion given and benefit received, dissatisfaction with the motivation policy of the organization and lack of recognition or rewarding hard working employees.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter discusses research methodology used in carrying out the study in Ethiopian shipping and logistics service enterprise. It consists of research design, research approach, Sources of data and data collection tools, procedures of data collection, population and sampling techniques, data analysis and presentation, reliability, validity and potential ethical issues of the study.

3. Research Design

Research designed show the detailed plan of how the research work had been conducted. The researcher is use descriptive research design to conduct the study. This is because, descriptive study is helpful when a researcher wants to look into a phenomenon or a process in its natural contexts in order to get its overall picture instead of taking one or some of its aspects and manipulating it in an artificial setting. In addition, it is used to understand the condition or relationship that exist, opinion that are held process that are going on, effects that are evident(Aregay and Diress, 2005).

The major approaches of descriptive research design to obtain wide range of relevant information from respondents.

3.1. Research Approach

For this study the combination of quantitative and qualitative research approach had been employed in order to attain the objective of the study. The combination of two approach helps to compare two data sources were considered because it allows determining if there is a pattern evident in the data. The benefit of the study contain information from data that are going to be merged. The result is helps to better understand the phenomenon to be studied.

Therefore, mixed research approaches were employed for this study completion to generate rich data from multiple sources, which are both quantitative and qualitative type. The researcher interested to present both employees view and managements attitudes towards retaining employees of the enterprise. Therefore, the study was follow descriptive type of research and survey research strategy was used. Primary data from survey questions has quantitative characteristics. Qualitative data was gathered through key structure interview. Since the study is academic and only in limited period, it is cross-sectional type in terms of time dimension.

3.2. Population and Sampling Technique

The population of this research includes 250 employees of the Ethiopian Shipping and Logistics Service Enterprise who works in the Head Office. From the total population, 52 of them are from Human Resource Department and the rest 148 of them were from nine departments as a whole: 15 Change management Department, 32 Finance department, 27 Planning and Business development department, 24 Multimodal operation department, 26 Commercial department, 20 Information technology and communication, 10 Law and Insurance, 16 procurement Department and 28 Unimodal operation Department. Purposively for selecting these departments is, most of the company's operation activities are dependent upon the performance of these departments and also the exit interview show most employee turnover is happen these departments through this the researcher believe that relevant data can be gained from these departments.

The researcher was used both probability and non-probability sampling techniques to select a sample from this population. The researcher was conducting the study by selecting the respondents using proportionate stratified probability sampling techniques from ten stratum. Simple random sampling was used to select a sample from the each department. Non probability sampling technique was also used to gather data from each department that involves purposively sampling to interview with three stratum (managers and operation heads) of each department. Among these samples were taken from each stratum. And document review and questionnaire from sample department, interview with three department managers or operation heads was made and 10 Ex- employees by phone. Here, the researcher was take the manager purposively from each sampled departments. This is in order to get detail and sufficient information from the concerned individual in the organizations.

3.2.1. Sampling Frame

The sampling frame of this research was a total of 250 currently working in Ethiopian Shipping and Logistics Service Enterprise who works in the Head Office.

3.2.2. Sampling Unit

The sampling units of this research paper were 154 sample respondents from a total of 250 Ethiopian Shipping and Logistics Service Enterprise who works in the Head Office. Therefore, representative sample of these employees were calculated based on formula for sample size determination and for finite population.

3.2. 3. Sample size

Among, 250 population of Ethiopian Shipping and Logistics Service Enterprise. Among these employees, the researcher was used the following formula to determine the sample size which is developed by Yamane(1967).

$$n=N/ (1+N (e) ^2)$$

Where:

N= population size =250

n= sample size

e= level of statistical significance set (5% =0.05)

Therefore, the sample size (n) =250/ (1+250*(0.05)²) =250/1.625=154

As indicated above to determine the sample size, this study was employee a confidence interval of 95%. The justification for this is that to have manageable sample size by considering the resources and time constraints and also for the purpose of making analysis process encouraging and free from laborious task. Then, to determine the sample size of each stratum using proportionate sampling

$$ni=(n*Ni)/N$$

Where

ni=sample of ith strata

n=targeted sample=154

Ni=population of ith strata

N=Total population=250

let $N_1 = \text{Human resource} = 52$

$$n_1 = (n * N_i) / N = (154 * 52) / 250 = 32$$

Based on the above formula to determine the sample size of each stratum is describes as follows.

Table 1 : Sample size determination

No.	Department	Number of population each	Sample select from($n_i = (n * N_i) / N$)
1	Human Resource	52	32
2	Finance	32	20
3	Planning	27	17
4	Multimodal	24	15
5	Change management	15	9
6	Commercial	26	16
7	Information Technology	20	12
8	Unimodal operation	28	17
9	Law and insurance	10	6
10	Procurement	16	10
	Total	250	154

Therefore, the researcher has selected a sample of 32 human resources, 20 Finance, 17 planning, 15 multi-modals, 9 change management, 16 commercial, 12 ICT, 17 uni-modals and 6 law and insurance and 10 procurements working in the enterprise.

3.3. Source of Data and Data Collection Tools Used

In this study, the researcher were used both secondary and primary data sources. Primary data was obtained from top management and employees of Ethiopian Shipping and Logistics Service Enterprise through questionnaire and interview. Secondary source on the other hand, was collected from printed materials, company reports and books.

The works of other researchers and publications (mainly, journals, thesis, and online resources) and Internet was also be used. Moreover, the researcher was used written documents, annual reports make as a source of data.

3.3.1 Procedures of Data Collection

Two data collection instruments were used to gather relevant data for the purpose of the study. These are questionnaire as the major tool and interview with officials as supportive instrument to triangulate the data found through questionnaire.

Questionnaire- according to Yount (2006), the standardized wording and structured questions of the questionnaire provide a higher reliability in the data than is practically able to be obtained by interview and is completed at the subjects' convenience. Data is more valid under these conditions than when answers are given "on the spot" in an interview. Questionnaire has an advantage over some other types of surveys in that this is cheap, do not require as much effort from the respondent and often has standardized answers that make it simple to compile data.

In the questionnaire both open-ended and close-ended questions were incorporated in order to get the desired information.

Interview - In interview, through direct personal investigation researcher collects data personally from the sources concerned. Kothari (2004) stated that, in an interview the interviewer on the spot has to meet people from whom data have to be collected. Interview helps generate in depth information and gives greater flexibility for questions, and is suitable for intensive investigations. Hence, from three department heads and managers face to face interview were carried out. The interview was designed in a way that more specific and truthful answers were got. This method helped the researcher to get additional information that was not provided by the questionnaires.

The following procedures were followed by the researcher to collect the data required for the study.

1. Data collection tools that are questionnaire and interview check list was prepared.
2. The questionnaire develop for current employees was pilot test to check the clarity
3. Collection is made based on the feedback from the pilot test
4. The amendment questionnaire is delivery by hand to the respondent at their work stations during working hours and collects through the researcher.

5. Interview session was conduct with the management staff and the information obtain were compiled accordingly.

3.4. Method of Data Analysis

The researchers use both quantitative and qualitative data analysis tools in the course of the study. Quantitative data that are collect through questionnaire has been analyzed using SPSS software program verse 20 a descriptive statistics like frequency, percentages, mean and standard deviation. To make data presentation attractive for readers, the researcher use visual aids such as frequency, tables and charts. Data obtain from open-ended questions and interviews were qualitatively analyzed through narration to triangulate the validity and reliability of data gathers the survey questionnaire.

3.5. Reliability and Validity of Measures

3.5.1. Reliability

To measure reliability, this study employee interviews and documentation. Also pilot tests of questionnaire were carried out by cronbach alpha to guarantee a common understanding of questions among respondents. So the result shows 0.82 attached to at the end.

3.5.2. Validity

To measure validity of study, this study was employed interviews and documentation. Also data was gathered from higher level, middle level and lower staff as units of analysis and the study has been examined by advisor and other colleagues to use appropriate research methodology based on the objective of the study that can be addressed. The different units ensured adequate representation of respondents who have experiences and seniority in Ethiopian Shipping and Logistics Service Enterprise hence validation. Data collection tools that are questionnaire and interview check list was prepared. The questionnaires develop for current employees were pilot test to check the clarity and collection was made based on the feedback from the check list and amendment questionnaire is delivery to the respondents.

3.6. Ethical Considerations

Confidentiality and privacy are some of the most corner stone of field research activities in order to get relevant and appropriate data. The researcher assured the purpose of the research paper and confidentiality of any information gather through questionnaire on the introductory part of the paper. During data gathering some respondents didn't show willingness to respond to the questionnaire but, the researcher approached and explained the purpose and assured the confidentiality and finally they were positive to give response.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

In this chapter the analysis and interpretation of the findings were presented. The analysis and interpretation in this chapter is based on the responses from research questionnaires, interview questions and secondary data information. Main areas of concern in the research were to assess the determinants of employee turnover intention in Ethiopian Shipping and Logistics Service Enterprise and finally recommend strategies that can be used to reduce the high level of employee Turnover in Ethiopian Shipping Logistics Service Enterprise and this was according to the research objectives.

4.1. Response Rate

Table 4.1 Response Rate

Questionnaires Distributed	Questionnaires Returned	Response Rate
154	146	95%

Source: primary data

Out of 154 planned for survey questionnaires, 146 questionnaires were collected which is 95 percent. Although it is better, follow up favors for effectiveness of collection, some of the respondents left without completing the questionnaire. The respondents are almost homogeneous, employees of Ethiopian Shipping Logistics Service Enterprise who are working on different department with diversified area of specialization. Hence, it is enough to analyze the findings.

4.2. Background of Respondents

Table 4.2: Background of Respondents

No.	Variable/Background	Category	Frequency	Percentage
1	Gender	Male	85	58.2
		Female	61	41.8
		Total	146	100.0
2	Age	18-24 years old	10	6.8
		25-30 years old	66	45.2
		31-40 years old	52	35.6
		41-45 years old	13	8.9
		46 years old and above	5	3.4
		Total	146	100.0
3	Education	10+1 to 10+3	2	1.4
		Diploma	22	15.1
		BA/BSC Degree	101	69.2
		MA/MSC Degree	21	14.4
		Total	146	100
4	Services	Less than 1 Year	8	5.5
		1-2 Years	30	20.5
		3-5 Years	56	38.4
		6-10 Years	33	22.6
		Above 10 Years	19	13.0
		Total	146	100.0

Source: primary data

As indicated in above, the gender of respondents, from all respondent of employee, 85 (58.2 %) of respondents participated in this study were male employees and 61 (41.8%) of respondents were female employees. The research tried to make gender based composition in all section of work units and also make balanced in the data gathering process.

Age of respondent's has been categorized into four groups. Accordingly, from all currently working employees 10(6.8%) of respondents were less than 25 years old, 66 (45.2%) between 25-30 years old, 52(35.6%) 31-40 range, 13(8.9%) were between 41-45 years old, and the remaining 5(3.4%) respondents were above 46 years old. As indicated on the table above, majority respondents of existing employees aged more than 25 years old.

The qualification was categorized in to five parts. From survey, the result of data shows that most of the employees of the organization are educated professionals. Accordingly, 101(69.1%) of the respondents have 1st degree While 21(14.4%) of the respondents master's degree. The rest

22(15.1%) and 2(1.4%) of respondents shared among those who fall in category of Diploma and 10+1-10+3 respectively.

The respondents' years of service was categorized into five parts. Thus, as summarized in the table above, a total of 56(38.4%) of the respondents participated in this study were between 3-5 years of service in the organization, 33(22.6%) have been served 6-10 years, 30(20.5%) respondents served 1-2 years, 19(13%) have been served above 10 years and the remaining 8(5.5%) of the respondents served in the organization less than 1 years.

4.3. ANALYSIS OF DATA COLLECTED FOR THE STUDY

The previous section dealt with the general background of the respondents and this section presents the analysis and discussion parts. The primary objective of the data gathered was to understand causes of staff turnover and its mechanisms to retain employees in the organization. All questionnaires or data collected pointed out why employee leave their current job, what feeling do the existing employees have regarding the turnover, what strategy used to minimize employee turnover in the organization.

The questionnaires were designed according to Likert-scale type that respondents have to indicate whether they strongly agree, agree, neutral, disagree, and strongly disagree for each statement. Numeric values (5,4,3,2, and 1) respectively were assigned to enable the quantitative analysis of the results. Descriptive statistics frequency, percentage, mean scores, and standard deviations were used to present and analysis the data gathered through the questionnaire.

Table 4.3: Employee Turnover Rate in ESLSE

Item 1	Alternative/options	Frequency	Percent	Mean	Std. D.
I believe/ observed that the employee turnover rate in the last four years is increased	Strongly Disagree	1	.7	4.42	0.75
	Disagree	3	2.1		
	Neutral	8	5.5		
	Agree	56	38.4		
	Strongly Agree	78	53.4		
	Total	146	100.0		

Source: primary data

As indicated in the above table, for the statement that the employee turnover rate in the last four years is increased, 78(53.4%) of the respondents are strongly agreed with the statement, 56(38.4%) agreed with the statement, 8(5.5%) of respondent neutral, 3(2.1%) disagree, and 1(0.7%) strongly disagree with the statement. This mean the aggregate value states that 91.8% of respondents agreed with the statement that the employee turnover rate in the last four years is increased. The mean valve 4.42 also shows there was high employee turnover trend.

From the questionnaire that was distributed with open ended questions in your observation the employee turnover rate in the last four or five years in the organization increase or decrease? How do you see? Most of the respondents stated that in the last four or five years the organization employee turnover rate was very high or increase from time to time. Specially, the first four years turnover was a serious problem. Even if the organization restructured or adjust the salary scale in April 2017 turnover rate cannot decrease. Still a lot of experts leave the organization.

Table 4.4: Determinants of Employees to Leave the Organization Because Different Factors

Item 2	Alternative/options	Frequency	Percent	Mean	Std. D.
The working environment is comfortable and allows ease to perform your job	Strongly Disagree	26	17.8	2.47	1.13
	Disagree	67	45.9		
	Neutral	19	13.0		
	Agree	27	18.5		
	Strongly Agree	7	4.8		
	Total	146	100.0		
Item 3	Alternative/options	Frequency	Percent	Mean	Std. D.
There is a clear reward system based on performance in the organization	Strongly Disagree	55	37.7	1.96	1.96
	Disagree	62	42.5		
	Neutral	10	6.8		
	Agree	18	12.3		
	Strongly Agree	1	.7		
	Total	146	100.0		
Item 4	Alternative/options	Frequency	Percent	Mean	Std. D.
I am satisfied with my current salary	Strongly Disagree	32	21.9	2.26	2.26
	Disagree	74	50.7		
	Neutral	13	8.9		
	Agree	24	16.4		
	Strongly Agree	3	2.1		

	Total	146	100.0		
Item 5	Alternative/options	Frequency	Percent	Mean	Std. D.
I believe that unfair rewards and promotion systems would drive me to leave my current job	Strongly Disagree	2	1.4	4.26	4.26
	Disagree	10	6.8		
	Neutral	16	11.0		
	Agree	38	26.0		
	Strongly Agree	80	54.8		
	Total	146	100.0		
Item 6	Alternative/options	Frequency	Percent	Mean	Std. D.
Career development program is available in the organization	Strongly Disagree	37	25.3	2.19	1.04
	Disagree	69	47.3		
	Neutral	18	12.3		
	Agree	18	12.3		
	Strongly Agree	4	2.7		
	Total	146	100.0		
Item 7	Alternative/options	Frequency	Percent	Mean	Std. D.
Job training and career advancement are given in a fair manner	Strongly Disagree	40	27.4	2.08	0.98
	Disagree	77	52.7		
	Neutral	10	6.8		
	Agree	16	11.0		
	Strongly Agree	3	2.1		
	Total	146	100.0		
Item 8	Alternative/options	Frequency	Percent	Mean	Std. D.
I believe that lack of career development is one of the reasons for employees to leave the organization	Strongly Disagree	1	.7	4.16	0.97
	Disagree	14	9.6		
	Neutral	10	6.8		
	Agree	56	38.4		
	Strongly Agree	65	44.5		
	Total	146	100.0		

Source: primary data

As indicated in the above table, for the statement that the working environments is comfortable for the job, 7(4.8%) of the respondents employees are strongly agreed with the statement, 27(18.5%) agreed with the statement, 19(13%) of respondent neutral, 67(45.9%) disagree, and 26(17.8%) strongly disagree with the statement. From the gathered data result around 63.7 % of

respondents agreed that they were not satisfied with the working conditions of the organization to perform the job. So work environment is one factor or cause of employee turnover.

Working environment is low-grade due to lack of all the basic facilities such as proper lighting, working in a space with some natural light, ventilation, air conditioning system, open space, restroom, lavatory, furniture, safety equipment while discharging hazardous duties, drinking water and refreshment, workers will not be capable of facing up the difficulty for a long time (Singh, 2008). Besides, a bad boss creates an adverse working environment, thereby leading the employees to leave the job.

As indicated in the above table, for the statement that the reward system is based on performance achievement in the organization. The data gathered from the respondents of employee stated that, 1(0.7%) of the respondents employees are strongly agreed with the statement, 18(12.3%) agreed with the statement, 10(6.8%) of respondent neutral, 62(42.5) disagree, and 55(37.7%) strongly disagree with the statement. From this perspective the findings indicated that, 80.2 % of respondents are disagreed with the statement. The result indicates that the enterprise have not clear reward system based on individual performance achievement. This leads dissatisfied employees and one major cause of staff turnover in the organization.

As indicated in the above table, for the statement that the current salary of the organization is satisfied. The data collected from the respondents of employee stated that, 3(2.1%) of the respondents employees are strongly agreed with the statement, 24(16.4%) agreed with the statement, 13(8.9%) of respondent neutral, 74(50.7) disagree, and 32(21.9%) strongly disagree with the statement. From this the overall findings indicated that, 72.6 % of respondents are disagreed with the statement. The result indicates that the enterprise current salary structure is not satisfied with employees. The mean value 2.26 indicated that or analyzed by descriptive statistics, proves that greater parts of the respondents are not satisfied with the current salary ESLSE. This shows salary is one factor for staff turnover or leaves the organization.

The interview that was conducted with department head do you agree the employees are paid fair for the service they render? The respondents does not agree because shipping and logistics service is sensitive issue like import and export these sector is government sensitive service and

have high risk, from these perspective it is not enough payment for the service they given in our organization.

According to Shaw *et al.*, (1998), “Pay is something given in exchange for services rendered in an organization”. It has played a significant role in retaining and rewarding high quality human resources. To be more precise, one of the critical factors of employee turnover is lower salary. When employees’ receive lower salary and insufficient financial rewards, they tend to stay no longer with the organization (Lavob, 1997).

As indicated in the above table, for the statement that the unfair rewards and promotion system is one cause to initiate to leave the current job in the organization. The data collected from the respondents of employee stated that, 80(54.8%) of the respondents employees are strongly agreed with the statement and 38(26%) agreed with the statement, 16(11.%) of respondent neutral, 10(6.8) disagree, and 2(1.4%) strongly disagree with the statement. From this perspective the findings indicated that, 80.8 % of respondents were agreed with the statement. The result shows unfair reward and promotion system is one of the main reasons to leave the organization. The mean value 4.26 also shows there is unfair reward and promotion system.

As indicated in the above table, for the statement that the Career development program is available in the organization. The data collected from the respondents of employee stated that, 4(2.7%) of the respondents employees are strongly agreed with the statement, 18(12.3) agreed with the statement, 18(12.3%) of respondent neutral, 69(47.3) disagree, and 37(25.3%) strongly disagree with the statement. The overall findings indicated that, 72.6 % of respondents are disagreed with the statement. This shows there is no career development program in the organization. In the modern business world career development program is one of the means to retain staff for long period of time. The mean value 2.2 also shows there was no career advancement program. So lack of or inadequate career development program employees leads to job dissatisfaction. Hence, lack of career development lead employees to leave their current job and join other competitors’ organizations.

As indicated in the above table, for the statement that the job training and Career advancement given in a fair manner in the organization. The data collected from the respondents of employee

stated that, 3(2.1%) of the respondents employees are strongly agreed with the statement, 16(11%) agreed with the statement, 10(6.8%) of respondent neutral, 77(52.7%) disagree, and 40(27.4%) strongly disagree with the statement. This indicates a total of 80.1 % of respondents are disagreed with the statement. This shows there was no opportunity for job training and career advancement in fair manner in the organization.

On the interview that was raised, do you have training and development program/plan? They answered this question more or less training and development program in case of department level there is training and development division but the division department have a gap to manipulate the organization employees training need assessment. And also have not real plan in practice applicable in the grass root. Some respondents replies training given by chance some workers nominated and tell to them to participate in that training.

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. The company conducts or provides limited chance of training for its employees assigned in different work area.

As indicated in the above table, for the statement that, lack of Career development is one cause to leave the organization. The data gathered from the respondents of employee stated that, 65(44.5%) of the respondents employees are strongly agreed with the statement, 56(38.4) agreed with the statement, 10(6.8%) of respondent neutral, 14(9.6%) disagree, and 1(0.7%) strongly disagree with the statement. The overall findings indicated that, 82.9 % of respondents are agreed with the statement. This shows that lack career development is one of the major cause or reason for employees to leave the organization. The mean value also shows 4.16 agreed. So, employees want to be motivated, grow and develop job and career enhancing skills and knowledge such opportunity of growth and development gains through training and development which is one of the most important factors for employee to retain on their job and reduce costs related to turnover.

Table 4.5: Managerial Related Issues and Other Factors

Item 9	Alternative/optio ns	Frequen cy	Percent	Mean	Std. D.
There is promotion and appraisal procedure in the organization in a clear manner	Strongly Disagree	30	20.5	2.24	0.99
	Disagree	76	52.1		
	Neutral	19	13.0		
	Agree	17	11.6		
	Strongly Agree	4	2.7		
	Total	146	100.0		
Item 10	Alternative/optio ns	Frequen cy	Percent	Mean	Std. D.
Your immediate boss/administration arrange flexible working conditions	Strongly Disagree	29	19.9	2.42	1.13
	Disagree	65	44.5		
	Neutral	22	15.1		
	Agree	22	15.1		
	Strongly Agree	8	5.5		
	Total	146	100.0		
Item 11	Alternative/optio ns	Frequen cy	Percent	Mean	Std. D.
Organization's higher officials allows you to participate in decision making	Strongly Disagree	29	19.9	2.27	1.03
	Disagree	77	52.7		
	Neutral	16	11.0		
	Agree	19	13.0		
	Strongly Agree	5	3.4		
	Total	146	100.0		
Item 12	Alternative/optio ns	Frequen cy	Percent	Mean	Std. D.
The relationship between employees with employees and with managers is good.	Strongly Disagree	18	12.4	2.65	1.02
	Disagree	51	35.2		
	Neutral	45	31.0		
	Agree	26	17.9		
	Strongly Agree	5	3.4		
	Total	145	100.0		
Item 13	Alternative/optio ns	Frequen cy	Percent	Mean	Std. D.

I believe that mismanagement is one of the basic reason for employees to leave their current job.	Strongly Disagree	4	2.7	4.09	4.09
	Disagree	8	5.5		
	Neutral	12	8.2		
	Agree	54	37.0		
	Strongly Agree	68	46.6		
	Total	146	100.0		
Item 14	Alternative/options	Frequency	Percent	Mean	Std. D.
My manager encourages team work	Disagree	45	30.8	3.4	1.15
	Neutral	30	20.5		
	Agree	38	26.0		
	Strongly Agree	33	22.6		
	Total	146	100.0		
Item 15	Alternative/options	Frequency	Percent	Mean	Std. D.
Your current organization is impartial for over all benefits of employees	Strongly Disagree	6	4.1	3.36	1.06
	Disagree	29	19.9		
	Neutral	34	23.3		
	Agree	60	41.1		
	Strongly Agree	17	11.6		
	Total	146	100.0		
Item 16	Alternative/options	Frequency	Percent	Mean	Std. D.
I believe that lack of clear job expectation is one of the factor or cause for employees to leave the organization	Strongly Disagree	3	2.1	3.96	1.03
	Disagree	15	10.3		
	Neutral	17	11.6		
	Agree	61	41.8		
	Strongly Agree	50	34.2		
	Total	146	100.0		
Item 17	Alternative/options	Frequency	Percent	Mean	Std. D.
I believe that there is alternative employment market opportunity is one of the reason for employees to leave the organization	Strongly Disagree	6	4.1	4.19	0.99
	Disagree	6	4.1		
	Neutral	6	4.1		
	Agree	64	43.8		
	Strongly Agree	64	43.8		
	Total	146	100.0		

Source: primary data

As indicated in the above table, for the statement that the promotion and appraisal procedure is implemented in a clear manner. The collected data shows 4(2.7%) of the respondents are strongly agreed with the statement, 17(11.6%) agreed with the statement, 19(13%) of respondent neutral, 76(52.1%) disagree, and 30(20.5%) strongly disagree with the statement. This means the aggregate value states that 72.6% of respondents disagreed with the statement. From this perspective promotion and appraisal procedures are not clearly implemented. So, the enterprise promotion and performance evaluation procedures were one factors or reason employees to leave the organization.

The best way of promoting and motivating employees would be a combination of pay, promotion, bonus and other kinds of rewards to achieve organizational performance (Ting, 1997). The reason behind is that lack of promotion and ordinary work responsibilities considerably can lead to the intention of turnover (House, Shane & Herold, 1996). To an extent, employees consider leaving the organization due to the ineffective performance assessment and perceptions of job unfairness (Weiss and Cropanzano, 1996).

As indicated in the above table, for the flexible working condition arrangement. Accordingly, the respondents of employee stated that, 8(5.5%) of the respondents employees are strongly agreed with the statement, 22(15.1%) agreed with the statement, 22(15.1%) of respondent neutral, 65(44.5%) disagree, and 29(19.9%) strongly disagree with the statement. The overall findings indicated that, 73.4 % of respondents are disagreed with the statement. This shows the immediate boss does not arrange flexible working condition in the organization. The mean valve 2.42 also shows high numbers of the respondents were disagreed with the sentences. So lack of or inadequate leadership style leads to job dissatisfaction and employees to leave their current job and join other competitors' organizations.

As indicated in the above table, for the statement that employees participate in decision making in organization. Accordingly, the data collected from the respondents of employee stated that, 5(3.4%) of the respondents employees are strongly agreed with the statement, 19(13%) agreed with the statement, 16(11%) of respondent neutral, 77(52.7%) disagree, and 29(19.9%) strongly disagree with the statement. From this perspective, the cumulative result shows that, 72.6 % of respondents are disagreed with the statement. The mean valve also shows 2.27 agreed. This

shows that employees have not participated in decision making process. These also one causes or reason for employees to leave the organization.

The interview that was conducted do employees participate in the organization decision making process? The respondents stated that most of the time decision making process are making by higher officials from top down hierarchy. But human resource director replies employees participate in the decision making by indirect representatives by labor union. However, other replies labor union does not free from influence by management. Therefore, the overall analysis indicated that employees do not participate in decision making process.

Zhang (2016) has quoted that “The participation degree of company or department decision also positively influences the level of job satisfaction, in turn, directly or indirectly affect turnover intention”. Employees feel satisfied about their work and stay longer in their positions to get them involved in the organizational decision making process.

As indicated in the above table, current employees of ESLSE were asked about the degree of relationship exists between employee and manager. With regards to this as shown on the above, for the statement relationship between employee and managers is good. Accordingly, the data collected 5(3.4%) of the respondents employees are strongly agreed with the statement, 26(17.9%) agreed with the statement, 45(31%) of respondent neutral, 51(35.2%) disagree, and 18(12.4%) strongly disagree with the statement. From this a total (47.6 %) of respondent of existing employee pointed out that there was no good relationship between management and employees of the organization.

On the interview requested, there is smooth relationship between management and employees? The respondents replies that most department have smooth relationship between management and employees but some sectors department there is a relationship problem between management with employee and employee with employee.

As indicated in the above table, for the statement that mismanagement is one of the basic reasons for employees to leave in organization. Accordingly, the data collected from the respondents of employees stated that, 68(46.6%) of the respondents employees are strongly agreed with the statement, 54(37%) agreed with the statement, 12(8.2%) of respondent neutral, 8(5.5%) disagree, and 4(2.7%) strongly disagree with the statement. From this perspective, the cumulative result

shows that, 83.6 % of respondents were agreed with the statement. The mean value 4.19 also shows high numbers of the respondents were agreed with the sentences. This shows mismanagement is one of most or major cause or reason for employees to leave in organization.

Many researchers are of the view that poor supervision is one of the leading factors of employee turnover and, hence, it is vital for an organization to coach its managers in order to improve their organizational and leadership skills (Porter and Steers, 1973).

As shown in the above table, current employees of ESLSE were asked about managers encourages team work. With regards to this as shown on the above, for the statement, 33(22.6%) of the respondents employees are strongly agreed with the statement, 38(26%) agreed with the statement, 30(20.5%) of respondent neutral and 45(30.8%) disagree with the statement. From this a total (48.6 %) of respondent of employee agreed. The mean value 3.4 also shows high numbers of the respondents were neutral with the sentences. This shows manager's team building in the organization was somewhat not satisfactory.

One argument put forward is that a high turnover of labor possibly implies poor staffing and selection policy, poor supervisory system, weak grievance procedure and lack of motivation. All these issues can result in high labor turnover in the sense where there have been no appropriate managerial guidelines on personnel issues and, thus, employees decide to leave the job (Lambert, Hogan & Barton, 2001).

As indicated in the above table, for the statement that organization is impartial for over all benefits of employees. Accordingly, the data collected from the respondents of employees stated that, 17(11.6%) of the respondents employees are strongly agreed with the statement, 60(41.1%) agreed with the statement, 34(23.3%) of respondent neutral, 29(19.9%) disagree, and 6(4.1%) strongly disagree with the statement. From this perspective, the cumulative result shows that, 52.7 % of respondents are agreed with the statement. The mean value 3.36 also shows high numbers of the respondents were neutral with the sentences. This shows organizational benefit distributed impartially for over all employees were somewhat not satisfactory.

As indicated in the above table, for the statement that lack of clear job expectation is one of cause to leave the organization. Accordingly, the data collected from the respondents of employee stated that, 50(34.2%) of the respondents employees are strongly agreed with the

statement, 61(41.8%) agreed with the statement, 17(11.6%) of respondent neutral, 15(10.3%) disagree, and 3(2.1%) strongly disagree with the statement. From this perspective, the cumulative result shows that, 76% of respondents are agreed with the statement. The mean value 4.12 shows high numbers of the respondents were agreed with the statement. So, the organization has not clear job expectation related to job description and specification were one of factors or reason to leave employees especially new entrants.

According to (Makhubu, 2006), organizations cannot fulfill the highest capacity of personal job demand; employees may have a feeling of job dissatisfaction that result in turnover intention. One of the major causes of employee's turnover is that employees depart the organization, while newly hired employees do not get their job expectations. So, some employees are rather unlikely to be in a situation to tolerate few managers or supervisors and, hence, they come to a decision leaving their positions.

On the open ended question requested, what inspire you join this organization most of the respondents stated that, the previous good will and the image of the organization externally have big brand name overviews of the company. Through these specially, the new entrants' expectation is high. Because ESLSE is the only unique enterprise providing shipping logistics service Ethiopia. It also provides international business activities like import and export business sectors. Also payee slight difference of salary with compared to public service organization. On the other hand, they think working environment is more or less safe compared to others specially head office. Their views get a chance to training in inside the country and outside or abroad the country international certificate related to port management and freight forwarding all these inspired to join the organization.

On an interview question that was conducted former employees, what inspire you join this organization the former employees replies that, the image of the organization was very attractive to got different benefit package, career development and promotion because enterprise expands different branch office or Dry port terminals throughout the country this inspire to join the enterprise.

As indicated in the above table, for the statement that there is alternative employment market opportunity is one of the reasons for employees to leave the organization. The data collected

from the respondents of employee stated that, 64(43.8%) of the respondents employees are strongly agreed with the statement, 64(43.8%) agreed with the statement, 6(4.1%) of respondent neutral, 6(4.1) disagree, and 6(4.1%) strongly disagree with the statement. From this the overall findings indicated that, 87.6 % of respondents are agreed with the statement. The mean value 4.19 indicated that or analyzed by descriptive statistics, proves that greater part of the respondents are agreed with the statements. The overall finding indicates that alternative employment market opportunity is one of the root cause or reason for employees to leave the organization. In today's competitive market, alternative job opportunity is a serious problem for both government and private institution. But it is good opportunity for employees.

Employees leave the organization if there is a possibility to get an alternative work (Luthans, 1995). However, it can be argued that this is an unmanageable issue, depending on the external environmental factors, such as job availability and the rate of unemployment.

A study conducted by Carsten and Spector (1987) found considerable relationship between job availability and voluntary turnover. To be more precise, perceived alternative opportunity may also be exaggerated by the market condition and educational background (Jacob,1998). We observe this when personnel with higher educational background is more qualified and experienced so that they can perceive alternative job opportunity (Cotton and Tuttle, 1986).

On the questions raised, what is the determinants factors or reasons of employees resigned from their job the respondents confirmed or stated that, the organization does not payee competitive salary to the work that the workers done, no fair job enlargement and distribution between the workers, there is lack of motivation or have lowest benefit package without considering performance appraisal, non – participation of employee in decision making, more benefits focused on managers rather than employees, bad network of previous employee behavior with each other, lack of conducive work environment specially branch office, poor employee management practice, unfair reward system and promotion, absence of career development and advancement, absence of clear job description and specification, low respect of employee, there is no smooth relationship between employee and management, lack of recognition, absence of harmonious organizational culture, new entrants employees high expectation, lack of training and development opportunity, alternative market opportunity, have not strong labor union to

solve employees grievance and it cannot free from management influence were the most cause of employee turnover.

On an interview question that was conducted former employees or Ex- employees stated that the determinants cause of staff turnover un satisfactory salary, no training and development program, unfair reward system, un attractive compensation package, lack of good working environment, autocrat leadership style, externally the image of the organization was attractive but within the enterprise are not such type etc were reason of employee turnover. Ex- employee replies the same to existed workers.

On the open ended question requested what makes you working this organization the reason behind will continue working in that organization restructured their salary scale and develop different benefit package and career development. The organization updates itself regarding to amending work procedures, systems, structures, and also settled some problems related with current employees. Moreover, the organization have visionary plan which executed in the future as a strategic plan that started from now.

The interview that was conducted with department director do you feel that employee turnover in the organization is a serious problem? They confirmed that in our case employee turnover is a critical problem, because it occurs continuously specially the last four years it is hot issue. When well experienced, competent and skilled employees left the organization it affects the organizations performance decrease productivity, increase different cost like training, recruitment and increase workloads on the employees and they become inefficient and also takes long period of time to substitute such type manpower.

On the interview requested do you know why employees are leaving the enterprise? The respondents stated that as today's business world there is competition so employees need attractive salary and benefit package, need of training and career development, need of conducive work environment and they need smooth relationship and scientific management system due to these and others factors employees left the enterprise.

The interview that was conducted which areas of responsibilities have been affected because of employee turnover and which area is more vulnerable of high turnover? The respondents' replies that most of the time lower level and middle level position are affected and operational

departments were more vulnerable because they are fresh blood employees operational areas can create a good chance to contact different agent, private sector owners these condition create high turnover.

The interview that was conducted with department head, what major costs the organization incurred due to employees turnover? They replies that there is different costs like vacancy announcement by newspaper or mass medians, medical examination, training cost, external examiner, over time cost covering works by existed employees, decrease performance and loss of revenue, individual inefficiency because of work load. In addition to these the respondents the organization has been losing other non-monetary value well experienced, competent and skilled manpower that cannot be replaced by short period of time.

4.4. Document Analysis

Employee turnover rate at ESLSE. Based on the data that was obtained for this study through the available documents from the enterprise such as quarterly report, half year report and annual reports was carried out to determine the staff turnover magnitude or trend of the ESLSE. The findings were presented in table below.

Table 4.6: The trend of staff turnover from 2006- 2010 December.

category	2006	2007	2008	2009	2010	Total
managerial	5	10	8	12	2	37
Supervisor	7	18	21	23	4	73
Officer	36	49	87	98	41	311
clerk	19	27	45	51	16	158
Total leaving	67	104	161	184	63	579

Source: Company report documents

From the table the researcher observe that, the growth rate of leaving employee in the organization from 2006 up to December 2010 shows an in increasing rate. Totally, for the first

four years it increases in a significant way than the later years. There is a remarkable increase of employees who quit their job for the given years.

The data in the table above show that the magnitude of staff turnover indicates looks like from the period under review. As it was indicated above the numbers of staff leaving the organization in 2006 was 67, in 2007 was 104, in 2008 was 161, in 2009 was 184 and in 2010 was 63. Therefore, the data reflects, ESLSE is facing frequently staff turnover happened. In additions, the data shows that the average numbers of employees left or leaving the enterprise under review period was 116 employee per annual.

4.5. Exit Interview Document Analysis

ESLSE HR department replies exit interview is recent phenomena for the organization. When employees resign requested to fill exit interview most of them were not voluntary to fill the form. Because, employees resign without announcing the organization. However, the voluntary employees raised some of reason to decide leaving the organization.

The cause of staff turnover as the researcher has tried to collect from the HR department report as they collect from exit interview sheet show that the employees are leaving the ESLSE due to the following reasons.

Those employees were giving different reasons or factors to left the organization. Like, for better job opportunity, lack of good governance, absence of promotion, absence of training, lack of conducive environment specially branch office, dissatisfaction management decision and promotion system, lack of clear job description and specification, inadequate team work building system and work culture and lack benefit package were some reasons of employees to left the organization. (ESLSE exit report 2017). However, from the reason they mentioned above majority of respondents list shows better job opportunity, lack of good governance, absence of conducive work environment, lack benefit package, lack of training & development, absence promotion and work culture were the most cause of employee turnover.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This study investigated into the determinants of employee turnover intention in Ethiopian Shipping and Logistics Service Enterprise Head Office. The study was conducted through a samplings survey using existing employee, ex-employees, and department heads. Data collection was made by the use of questionnaire, interview, and document analysis techniques. Data that was collected was analyzed through percentage and frequency. In this chapter attempt is made to present the findings of the study, draw conclusions and make recommendations. The summaries are presented along research objectives. The general objective of the study is to assess the determinants of employee turnover intention at Ethiopian Shipping logistic Service Enterprise. Specific objectives of the study are: How is the level of employees' turnover rate in ESLSE? What are the determinant factors of employees' turnover in ESLSE? And propose strategies to reduce the high rate of employee turnover or recommendations for improving organizational performance.

5.1. Summary of Major Findings

Most of the respondents participated in this study (58.2%) were male employees and (41.8%) of respondents were female employees.

Most of the respondents' age dominant group was fall in the category of between 25-30 and 31-40 years range (45.2%) and (35.6 %) respectively.

Most of the respondents participated in this study (69.1%) were first degree holder professionals. Most of the respondents' years of service dominated a total of (38.4%, 22.6%) and (20.5%) falls 3-5, 6-10 and 1-2 years respectively.

Most of the respondents stated that in the last four years the organization employee turnover rate was very high or increase from time to time. Specially, the first four years turnover was a

serious problem. The aggregate value shows that (91.8%) of respondents agreed with the statement that employee turnover rate in the last four years is increased.

Most of the respondents (63.7%) were not satisfied with the working conditions of the organization to perform the job. So work environment is one factor or cause of employee turnover.

Majority of the respondents (80.2%) were dissatisfied with the reward system. The result indicates that the enterprise have not clear reward system based on individual performance achievement. This leads dissatisfied employees and one major cause of staff turnover in the organization.

The overall findings indicated that, (72.6%) of respondents are not satisfying the salary scale. The result indicates that the enterprise current salary structures are not satisfied with employees. The mean value 2.26 indicated that or analyzed by descriptive statistics, proves that greater parts of the respondents are not satisfied with the current salary ESLSE. This shows salary is one factor for staff turnover or leaves the organization.

Majority of the respondents (80.8 %) of respondents were agreed with the statement. The result shows unfair reward and promotion system is one of the main reasons to leave the organization. The mean value 4.26 also shows if there is unfair reward and promotion system turnover become increase.

The overall findings indicated that, (72.6%) of respondents were dissatisfied with the career development. This shows that, there is no career development program in the organization. In the modern business world career development program is one of the means to retain staff for long period of time. The mean value 2.2 also shows there was no career advancement program. So lack of or inadequate career development program employees leads to job dissatisfaction. Hence, lack of career development one of the cause to leave their current job and join other competitors organizations.

This indicates a total of (80.1%) of respondents were not satisfied with the job training. This shows there was no opportunity for job training and career advancement in fair manner in the organization.

Most of the respondents (82.9 %) of respondents were agreed with the statement. This shows that lack career development is one of the major cause or reason for employees to leave the

organization. The mean value also shows 4.16 agreed. So, employees want to be motivated, grow and develop job and career enhancing skills and knowledge such opportunity of growth and development gains through training and development which is one of the most important factors for employee to retain on their job and reduce costs related to turnover.

The aggregate value shows that (72.6%) of respondents disagreed with promotion and appraisal procedure. From this perspective promotion and appraisal procedures are not clearly implemented. So, the enterprise promotion and performance evaluation procedures were one factors or reason employees to leave the organization.

The overall findings indicated that, (73.4 %) of respondents are disagreed with the immediate boss does arrange flexible working condition. This shows the immediate boss does not arrange flexible working condition in the organization. The mean value 2.42 also shows high numbers of the respondents were disagreed with the sentences. So lack of or inadequate leadership style leads to job dissatisfaction and employees to leave their current job and join other competitors' organizations.

The cumulative result shows that, (72.6 %) of respondents were not satisfied with the decision making process. The mean value also shows 2.27 disagreed. This shows that employees have not participated in decision making process. These also one causes or reason for employees to leave the organization.

A total (47.6%) of respondent of employee pointed out that there was no good relationship between management and employees of the organization and (31%) of respondents pointed out neutral. From this perspective, the analysis shows relationship between management and employees are not good it contribution for employee turnover.

The cumulative results show that,(83.6 %) of respondents are dissatisfied with the management. The mean value 4.19 also shows high numbers of the respondents were agreed with the sentences. This shows mismanagement is one of most or major cause or reason for employees to leave in organization.

A total (48.6%) of respondent of employee agreed with managers encourage team work. The mean value 3.4 also shows high numbers of the respondents were neutral with the sentences.

This shows manager's team building in the organization was somewhat not satisfactory. Therefore, lack of encouraging team building was the cause for employee turnover.

Lack of clear job expectation related to job description and specification were one of factors or reason to leave employees especially new entrants. The cumulative results show that,(76%) of respondents are agreed with the statement. The mean value 4.12 shows high numbers of the respondents were agreed with the statement.

The overall finding indicates that alternative employment market opportunity is one of the root cause or reason for employees to leave the organization. A total (87.6%) of respondents are agreed with the statement. The mean value 4.19 indicated that or analyzed by descriptive statistics, proves that greater part of the respondents are agreed with the statements. In today's competitive market, alternative job opportunity is a serious problem for both government and private institution. But it is good opportunity for employees.

5.2. Conclusions

From the data analysis the following conclusion were drawn.

The ESLSE trend of employee turnover rate in the last few years was increased. From these perspectives, the major activities of the enterprise were affected through employees' turnover. When well experienced, competent and skilled employees left the organization it affects the organizations performance decrease productivity, increase different cost like training, recruitment, vacancy announcement by newspaper or mass medians, medical examination, external examiner, over time cost covering works by existed employees, individual inefficiency because of work load and decrease image of the organization. In addition to these the organization has been losing other non-monetary value well experienced, competent and skilled manpower that cannot be replaced by short period of time.

The researcher found that alternative market opportunity, mismanagement, lack of career development, unfair reward and promotion system, absence of clear reward system based on performance, lack of opportunity for job training and career advancement, absence of clear job description and specification were the most significant determinant causes or reasons for employee turnover. In particularly, low salary scale, there is lack of motivation or have lowest benefit package without considering performance appraisal, employees does not participate in

the decision making process of the organizational matters, immediate boss does not arrange flexible work condition, no smooth relationship between managements and employees, inadequate team work building system, lack of conducive work environment, no fair job enlargement and distribution between the workers, more benefits focused on managers rather than employees, bad network of previous employee behavior with each other, low respect of employee, absence of harmonious organizational culture, new entrants employees high expectation, were other factors directly had an implication for staff turnover and resignation in ESLSE.

5.3. Recommendations

The following recommendations are forwarded to minimize employee turnover.

- ❖ The organization should be set attractive salary and different benefit package as much as possible to compete other rivals or competitors of public and private business institution. It retain and motivate existed well experienced, compete, qualified skilled man power because such type of employee does not replaced in short period of time and considered as an asset of the organization.
- ❖ The organization should be create / develop an opportunities for career development in the organization. It gives individuals the necessary knowledge, skills and experience to enable them to undertake greater and more demanding roles and responsibilities. It represents efforts to improve an employee's ability to handle a variety of assignment.
- ❖ The top management should be providing fair reward and promotion system based on employee's performance and ability or capacity to enhance employee commitment. Hence, it increase employees trust for the organization.
- ❖ The organization should be developing scientific management system which can avoid the poor management system. Because, proactive managers can be encourage team building, understand staff behaviors, manage employee based on labor proclamation, HR policy and procedure, create harmonious work culture and environment and create smooth relationship between employee and employer etc.

- ❖ The top management should be improving working conditions within the organization. The working environment should be conducive for employee's health and safety in the work place. To motivate the workforce, it is important to ensure a hazard free and safe environment which also enhances efficiency and productivity. When the adverse effects of the physical work environment are not attended to by management, employees may lose interest in the work and might leave the organization.
- ❖ The organization should be developed clear job description and specification for each position. It means, every staff has clearly known his/her duties and responsibilities for to perform well or effectively in his/her responsibilities. It is important for better achievement and measures their performance for providing fair recognition to better performer.
- ❖ The organization should be developed training and career advancement program in an ongoing program, not annual event. Because, training is a systematic process of changing the behavior, knowledge and motivation of present employees to improve the match between employee characteristic and employment requirements. In other words, it is the systematic development of knowledge, skills and attitude required by an individual to perform adequately a given task or job. Hence, its benefited both employees and employer like:- to remove performance of deficiencies, to increase motivation or work commitment, to increase job satisfaction and to increases productivity & quality, to reduce turnover, to reduce dissatisfaction, complaints respectively.
- ❖ The top management should be involve employees in the decision making process in any issue that will affect them in the organization. Employee's involvement may be through representatives but the representative should be free from management influence.
- ❖ From findings shows 48.6% of respondents indicated that management encourages team work among employee. However, the remaining 52.6 % of respondents were not similarly responded. Hence, the researcher proposed that organization done more effort on team work so they may able to share and integrate individual ideas for the better achievement of job performance.

5.3. Limitation of the Study

The major limitation of the study is the study area was limited to Ethiopian Shipping and Logistics Service Enterprise at head office and does not including branch offices. Some of the limitations that may be faced to carrying out the study are unwillingness of the respondents to fill the questionnaires; due to this few respondents were not able to return a questionnaire in due time and it was a difficult task to wait until all return as intended. Hence, these limitations have a negative impact on the quality of the subject study. And also, shortage of budget and time. The other main challenges in data gathering process were getting former employees. Some employees left far from Addis Ababa and change their current address. Due to this, the researcher obliged to make the study more concentrated on existed employees.

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APPENDICES I

St. Mary's University
School of Graduate Studies
School of Business and Economics
Dept GMBA

Dear Respondents,

This Questionnaire will be filled by Existing Employees of Ethiopian Shipping Logistics Service Enterprise (ESLSE) Head Office.

The questionnaire is designed to prepare a thesis on the title of “**Determinants of Employee Turnover Intention** in the case of Ethiopian Shipping Logistics Service Enterprise“ (ESLSE). It is carried out to write a thesis, in partial fulfillment of the requirement for the **Masters of Business Administration**. 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. Your genuine, frank and timely responses are extremely determinant for the success of this study. Hence, I would once more kindly request your contribution in filling this questionnaire honesty and responsibly. There is no need to write your name on the paper; all answers will be kept confidential.

Thank you for your cooperation!

Part I - Profile of Respondents

1. Gender, Male Female
2. Age, a) 18-24 b) 25-30 c) 31 -40 d) 41-45
e) > 46
3. Education level
- A, Below Grade 10 b) 10+1-10+3 c) Diploma d) BA/BSC

e) MA/MSc f) PHD

4. Years of Service in ESLSE,

- A) Less than 1 year B) 1- 2 years C) 3 -5 years D) 6-10 years
- E) Above 10 years

Part II: Individual and Job Factors

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; N= Neutral;

D = Disagree; SD = Strongly disagree

No	Statements	SA	A	N	D	SD
1.	I believe/ observed that employee turnover rate in the last four years is increased					
2.	The working environment is comfortable and allows ease to perform my job.					
3.	There is a clear reward system based on performance in the organization					
4.	I am satisfied with my current salary.					
5.	I believe that unfair rewards and promotion systems would drive me to leave my current job.					
6.	Career development program is available in the organization					
7.	Job training and career advancement are given in a fair manner.					
8.	I believe that lack of career development is one of the reasons for employees to leave the organization.					
9.	There is promotion and appraisal procedure in the organization in a clear manner.					
10.	Your immediate boss/administration arrange flexible working conditions					
11.	Organization’s higher officials allows you to participate in decision making					

12.	The relationship between employees with employees and with managers is good.					
13.	Your current organization is impartial for over all benefits of employees					
14.	I believe that mismanagement is one of the basic reason for employees to leave their current job.					
15.	My manager encourages team work					
16.	I believe that lack of clear job expectation is one of the factor or cause for employees to leave the organization					
17.	I believe that there is alternative employment market opportunity is one of the reason for employees to leave the organization					

1. In your observation the employee turnover rate in the last four or five years in the organization increase or decrease? How do you see?

2. In your view, what are the determinants or reasons of employee turnover in the organization list them?

3. What inspire you to join this organization?

4. What makes you continue working with this organization?

APPENDICES II

Interview questions for managers and department heads.

1. Do you feel that employee turnover in the organization is a serious problem? How?
2. Do you know why employees are leaving the enterprise?
3. Which areas of responsibilities have been affected because of employee turnover and which area is more vulnerable of high turnover?
4. Do employees participate in the organization decision making process? How?
5. Do you have training and development program/plan?
6. Do you think that there is smooth relationship between management and employees? How?
7. Do you agree that employees are paid fair for the service they render?
8. What major costs the organization incurred at the time of recruit new employees?

Thank you for your co-operation

APPENDICES III

Interview questions for ex- employees or former employees

1. In your view, what are the cause or reason you resign in the organization?
2. In your opinion, what are the strategy or mechanisms advised as tool to minimize employee turnover in organization?
3. What inspire you to join this organization?

Thank you for your co-operation

APPENDICES V

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	12	100.0
	Excluded ^a	0	.0
	Total	12	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.815	.820	23

Item Statistics

	Mean	Std. Deviation	N
The working environment is comfortable and allows ease to perform my job.	4.0000	1.12815	12
I am satisfied with my current salary.	2.1667	1.26730	12
There is a clear reward system based on performance in the organization	4.0000	1.20605	12
Attractive salary and benefits are the major drivers that would make me stay in my current job	2.3333	1.30268	12
Good working environment is the major driver that would make me stay in or leave my current job.	2.4167	1.44338	12

Unfair rewards and promotion systems would drive me to leave my current job.	4.0833	.99620	12
Career development program is available in the organization	4.0000	.95346	12
Job training and career advancement are given in a fair manner.	1.9167	.90034	12
I believe that lack of career development is one of the reasons for employees to leave the organization.	2.2500	1.21543	12
There is promotion and appraisal procedure in the organization.	3.5000	1.24316	12
Your immediate boss/administration arrange flexible working conditions	2.7500	1.21543	12
Organization's higher officials allows you to participate in decision making	2.5833	1.08362	12
The relationship between employees with employees and managers is good.	2.7500	1.28806	12
Your current organization is impartial for over all benefits of employees	2.5833	1.16450	12
I believe that mismanagement is one of the basic reason for employees to leave their current job.	3.1667	1.26730	12
My manager encourages team work	4.0833	.90034	12
I believe that lack of clear job expectation is one of the factor or cause for employees to leave the organization	3.2500	1.21543	12
I believe that there is alternative employment market opportunity is one of the reason for employees to leave the organization	3.9167	.79296	12
I believe/ observed that the magnitude of employee turnover rate in the last four years is increased	3.9167	1.24011	12
Providing fair reward and benefit based on the performance is one strategy to minimize employee turnover	4.4167	.90034	12

Building team work and good working culture in the organization is a mechanism to stay employees	4.4167	.66856	12
I believe that providing training and development, promotion and recruit suitable employees used as a tool for minimize employee turnover	4.4167	.90034	12
Having clear job expectation and develop strong labor union system are serve as a strategy to stay the employee in the organization	4.3333	.77850	12

