



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

FACTORS THAT CONTRIBUTE TO EMPLOYEES' TURNOVER INTENTION
AT AMBO MINERAL WATER S.C

BY

ASBIE FIKRIE KALEWOLD

A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION

JULY, 2020

ADDIS ABABA, ETHIOPIA

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MASTER OF BUSINESS ADMINISTRATION (MBA-GENERAL)

APPROVED BY BOARD OF EXAMINERS

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DECLARATION

I, Asbie Fikrie, do hereby declare that this thesis is my original work, prepared under the guidance of Shoa Jemal (Asst. Professor). All sources of material used for this thesis have been duly acknowledged. I further confirm you that the thesis has not been submitted to any other higher educational institutions for the purpose of earning any degree.

Asbie Fikrie

Signature

St. Mary's University, Addis Ababa July, 2020

DEDICATION

This project is dedicated to my loving mother Getenesh Sine, father Fikrie Kalewold, and my friend Ms. Zegiju Belay for their encouragement and supports me in this great endeavor. The Almighty God blesses all those who have been inspirational through this process.

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ACRONYMS /ABBREVIATIONS

AMWSC: Ambo Mineral Water Share Company

CCBA: Coca-Cola Beverage Africa

FMCGs: Fast Moving Consumable Goods

HR: Human Resource

IMF: International Monetary Fund

IT: Information Technology

No.: Number

SPSS: Statistical Package of the Social Sciences

%: Percentage

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ABSTRACT

This thesis was carried out for the purpose of investigating the factors that contribute to employees' turnover intention at AMWSC. It was conducted in Addis Ababa, Ethiopia around Kaliti Masetegna where the head quarter is found. The population of the study was 204 employees. Accordingly, a sample size of 135 employees was selected. Of whom 130 respondents were selected using stratified random sampling and 5 were selected purposively. Thus the total sample accounted 66.176% of the targeted population. In the study, descriptive and explanatory research designs with quantitative and qualitative research approach were implemented. The data for this study was collected using questionnaire and semi structured interview. The intended sources of data for this research were both primary source obtained directly from respondents and other secondary sources from written materials which were collected before. In this study both qualitative and quantitative methods were used for analyzing the datas. Data collected using questionnaire was analyzed through descriptive statistics based on summarized comparisons using percentages, mean and standard deviation; the results were presented using tables and charts. While, data collected from the semi structured interview were analyzed and interpreted qualitatively. Furthermore, the collected data also analyzed by statistical computation of correlation to explore the inherent relationships among the different variables and regression coefficients to identify the causal links of the factors to the dependent variable of employees' turnover intention. The study revealed six factors (salary, working environment, employees' participation, performance appraisal, job security and career development) contributing to employees' turnover intention at AMWSC. According to the study, it was found out that the salary paid, job security, working environment and career development are the most influential factors. The factors are found to be significantly correlated within themselves and turnover intention while the majorities were correlated negatively to turnover intention. The result of regression coefficients also indicates that the contribution of all predictor variables were negative even though their contribution varies among each individual predictors. As a result, the factors in AMWSC should be controlled and properly managed. To this end the company has to be recommended the strategies of increase salary and benefit package comparable to market offers, job security affirmation, applying improved working environment, internal career development and allow employees to participate in decision making concerning them to overcome the current employees' turnover intention.

Key Words: Turnover Intention, Employee Turnover, Private Business Firms, Employee Retention, AMWSC

CHAPTER ONE: INTRODUCTION

This chapter contains the topics background of the study, definition of key terms that most widely used in the thesis, statement of the problem, basic research questions, objective of the study which includes both general objective and specific objectives of the study, significance of the study, scope of the study, limitation of the study and organization of the paper.

1.1. Background of the Study

The human resources (employees) of organization whether it is business companies or any other type of organizations are the potential and the primary source of sustainable competitive advantage and helping for improving performance for organization. Literature has argued that, the human resources of the firm are potential and the sole source of sustainable competitive advantage for organization (Kochan and Dyer, 1993). Since employee turnover contributes a cost to the company as well as employees, it is very important to study the root cause to the employee's turnover intention and find out solution to keep company's competitive advantage. A frequent and high employee's turnover can influence negatively on an organization's capacity to meet stakeholders' needs and provide quality services, and has an impact on the morale of the employees and the productive efficiency of those who remains in the firms (Shields and Ward, 2001). Many employees' decided to leave an organization is due to a multiple and complex events, like being passed over for a promotion, diminished job satisfaction, unflavored working environment, better career choices/opportunities/ elsewhere, a plum assignment or for financial related reasons and those events, however serve as a facilitator with one another, but most employees leave because of multiple factors. Therefore, to achieve employee turnover prevention programs, organizations need to determine the root causes or factors relevant to their employees and then focus strategies on these factors. For each employee group, information can be gathered from today's' and former employees on their perceptions of why people stay or leave. Exit interviews and follow-up surveys with former employees and with the existing employees respectively are being adapted to yield more accurate, useful information in the organizations.

The organization's costs increase due to the high employee turnover and the costs are various in kinds such as costs of person leaving, recruitment costs, training costs, lost productivity costs, new hire costs, lost sales costs and others. Armstrong, (2006) argued that the cost of employee's turnover to organization is very common, and the organization suffers due to employees' turnover as leaving costs (payroll costs and personnel administration of those who leave, direct cost of recruiting (vacancy announcement, testing, interviewing, etc...), opportunity cost of time spent by line managers and HR in recruitment, introducing newly hired employees (induction course, cost of induction manuals etc...), loss of the knowledge input from those leaving before they are replaced in terms of contribution and output, sales, customer satisfaction and support, loss arising from reduced input from new starters until they are fully trained. It is very important that organizations need to have an appropriate method of managing manpower for having a stable workforce and make easy their organizational operations. This has been the issue in many organizations whether they are privately owned and government /public/ sectors in Ethiopia and the rest of the world.

In the last two to three decades, the economy of Ethiopia shifts towards somehow free market economy, the private organization starting to be constructed and developed. According to the report of IMF (1999) in Ethiopia; starting in 1992 the new government began to implement an economic reform program with a view to reviewing an economy in a country that had suffered from many years of civil war, food security crisis, heavy central planning. Although human development institutions given more emphasis by many privately owned and governmental organizations, employees or experts in most firms of Ethiopia especially on private organizations have not been stable employment background. They decided to leave the organization /firms/ and searching career on another firms elsewhere.

AMWSC is a private business company which produces and work in fast moving consumable goods of Ambo Water with a brand of naturally-carbonated bottled mineral water, sourced from the springs in Ambo Senkele which is located approximately 130 kilometers from Addis Ababa., near the town of Ambo in central Ethiopia. AMWSC was established in 1930 E.C. and currently it is the sister company of CCBA. The head office, main storage and its central distribution is located around kality behind Masetegna in front of Wuha Limat. Thus the focus of the area of this study is at the head office located at kality. Currently AMWSC has a total of

424 employees of which 44 sales and marketing employees, 220 production related employees, 3 IT and technology related employees, 12 finance related employees including procurements, 140 logistics and distribution related employees and 5 human resource related employees.

In case AMWSC provides many rewards to its employees such salaries, allowances (transport), pension contribution, medical allowances, leave allowances, commission, annual bonus as per the profitability, and reward with good performance to the workers. Despite the fact that AMWSC provides the above stated rewards to its employee still high employees turnover is existed in the company. This indicates that there is certain problem existed in the company which was not addressed even the rewards given is not comparable with the work done, current cost of living or other similar firms. That is why this study intended to examine the key factors which in one way or another contribute to employee's turnover intention and find out alternative method of retaining human resources.

1.2. Definition of Key Terms

Definition of key terms are the main terms widely used in this study and what they mean according to this study to help readers to have an idea about them as well as to know specific usage of concepts while reading this research.

Employee Turnover: the rotation of workers around the labor market in and out, but for this study it needs to be considered as a movement of employees out of the organization (Abassi and Hollman, 2000).

Employee Retention: taking measures to encourage employees to remain for the maximum time period in the organization.

Private business firms: are those business firms of non public sector in an economy, controlled and operated by private individuals and for the current study it represent AMWSC.

Turnover intention: a situation where employees of an organization have a plan to leave their work (Saeed et. al, 2014).

1.3. Statement of the Problem

Employees are an essential resource of any business success. Therefore, they need to be maintained and motivated in organization at every cost circumstances to help the company to be competitive globally so as to providing better goods and services to the community they are in. Management of the company should clearly find out the sources of employee turnover intention and suggest the best recommended approach to overcome the source of turnover intention, so that they can be in a position to retain employees in their organization to enhance their competitiveness in this world of globalization (Ongori, 2007). Most firms currently threatened with an increasing employee turnover and finding solution for the intention to leave is challenging. As a result turnover intention is becoming a serious problem in today's corporate environment in most private business firms and its' cost for many organizations are very high. Thus it can significantly affect performance of an organization negatively. This is also common to AMWSC in particular of this study. Employees are dissatisfied due to multiple of factors those contributing to them decide to leave. One of the reason why employees decide to leave is the salary paid for the work they do. They have an intention to leave when they are not paid a fair amount for the work they do, not considering the current cost of living and pay less than other similar firms. The lack of internal career advancement plan is another reason why employees leave their organizations. Another reason why employees leave their organization is lack of appropriate performance appraisal. Poor working conditions and lack of employees' involvement on concerning company's decision making process are another reason employees become dissatisfied and decided to leave the organization. Employees those who feel that they are insecure; they are stressed and can't do their best work. Instead they are worrying about short term problems, risky work environment, fretting about bills and debts, labour market risks both in mental and physical disability and stressing about what management might be thinking about their future with the company. These all result in high job dissatisfaction leading the employees decide to leave and look for alternative employment elsewhere thereby increasing the employee turnover of an organization. Therefore; the researcher conducted this study whether these all listed and other factors existed in AMWSC which were contributing to turnover intention of the company's employees. The following table shows the employee's turnover during the past years history of AMWSC due to different multiple factors.

Table 1: Employee's Turnover from 2017 – 2019 at Ambo Mineral Water S.C.

Years	Number of Employee	Number of Employee Left	
		In number	In percentage
2017	386	21	5.44%
2018	403	24	5.95%
2019	452	28	6.20%

Source: Ambo Mineral Water S.C. Human Resource Management Report, from 2017 to 2019

The above table 1 indicates the average employee's turnover of the company within the three consecutive years from 2017 to 2019. During the past three years AMWSC is in a problem of employee's turnover by which in 2017 a total of 21 employees had left the company out of 386 employees, in 2018 a total of 24 employees had left company out of 403 employees, and in the year 2019 a total of 28 employees had left the company out of 452 employees from the company. This implied that throughout the past three years, the company continued in losing its employee. This makes the company to incur costs in either productivity loss costs or direct cost to replace them through recruitment, selection, training, and other related courses of actions.

Although AMWSC is a business company which high employee turnover existed in it, in the company no research has been conducted before to examine the source of the employee turnover intention. As a result employees continued to leave the organization. Thus this research was interested to conduct to find out the factors that contribute to turnover intention in case of AMWSC and at the end it is planned to recommend essential solution to overcome the existing problem which help the company being preferred business firm by the potential employees and have a competitive advantage in this more competitive world by using full knowledge resources.

1.4. Basic Research Questions

In line with the above reality, this research attempted to come up with possible solutions and recommendations by addressing the following basic research questions.

1. What are the major factors that contribute for employee's turnover intention at AMWSC?
2. Which employee's turnover intention factors exert more influence in AMWSC?
3. What sort of strategies the company employs to minimize turnover intention at AMWSC?

1.5. Objectives of the Study

This sub section of the study consist what objectives needs to be achieved during this research project and contain the general objective as well as specific objectives which support the main research objective.

1.5.1. General Objective

The general objective of this study was to investigate the factors that contribute to employees' turnover intention at Ambo Mineral Water Share Company.

1.5.2. Specific Objectives

The following are the specific objectives which support the general objective of the study.

- i. To identify major factors that contributes for employee's turnover intention at AMWSC
- ii. To examine which turnover intention factor exert more influence at AMWSC.
- iii. To determine the main sort of strategies the company employs to minimize intention to leave AMWSC.

1.6. Significance of the Study

The finding of this study is useful to the management of AMWSC and other similar firms to clearly identify the major factors which contribute to the current turnover intention.

- ✿ It helps the management in making appropriate policies and strategies dealing with employees' turnover intention by referring the finding of this study.
- ✿ It helps the management in projecting the demand and supply of human resources in the development, promotion and establishment of manpower retention schemes.
- ✿ It also helps the decision makers to have effective measures of managing manpower to ensure the productive, stable workforce in the company and avoid related costs.
- ✿ It assists another researcher by being a source of information for further studies in the area which has not been covered yet.

1.7. Scope of the Study

The scope of this study incorporates in to identifying the factors that contribute to employee's turnover intention at AMWSC. The study was conducted by considering employees' turnover datas of 2017, 2018 and 2019. Although there are multiple of factors that contribute for the intention of employee's turnover, this research project was incorporated the factors salary paid, career development, working environment, employee's participation, performance appraisal, and job security. The research used descriptive and explanatory research design with both qualitative and quantitative approaches. The scope regarding to the data collection instruments were questionnaire and semi structured interview. The study employed purposive and stratified random sampling techniques. The study was conducted at head office contains five departments.

1.8. Limitation of the Study

One of the major challenges during this study was addressing all employees of the company specifically production department since it was found at Ambo Senkele and contacting those employees was too difficult because of contemporary issue Corona Virus. The other challenge was addressing the employees those who are traveling to the upcountry and top level managers because it consumes time till waiting to come back to head office and repeated time rendezvous for the interview period since they were so busy in doing strategic plan.

1.9. Organization of the Paper

This study was organized in five chapters. Chapter one provides a brief of background information to the study with respective overview of the related subject matter under case study, definition key terms, the research problem, and objectives with respective research questions, scope, limitation and significance of the study. Under chapter two a review of detail related literature to the study was included. Chapter three presents appropriate research design and methodology employed in the study. Chapter four of this study contains the data analysis and interpretation. Chapter five contains findings, conclusions and recommendations of the study. Finally; respective references used during the study and in the appendix section the data collecting instruments included at the end.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

Under this chapter, the study tried to cover the following major parts; the theoretical review and general overview of different schools of thought which were applied to this area of study for the purpose of having overall understanding of the study, empirical review to find out what other scholars have done in this area of study and finally this chapter incorporates the existing research gaps and recommended areas for further study to which this research is going to focus, conceptual framework as well as hypothesis of the study.

2.1. Theoretical Literature

Employee's turnover is the rotation of workers around the labor market, between firms, jobs /occupation/ and between the state of employment and unemployment. The intention of employee turnover can either be voluntary by the employee themselves deciding to leave the organization or involuntary by the employer organization choosing to let go of the employee through termination. Sometimes it can also be classified as internal or external. The former involves employees leaving their current position, and taking a new position within the same organization and its positive enforcement (such as increased employee motivation and commitment) and negative consequences (such as project/relational disruption) of internal turnover exist, but the later is one of the most persistent and frustrating problems that organizations face. Whether it's involuntary, such as termination due to poor performance, or voluntary, such as resignations, turnover is extremely costly. Employee turnover is costly, often more than one would expect. In addition to replacement fees, the true cost of turnover is much hidden costs such as productivity loss, workplace safety issues, and morale of those who remain down. There are multiple of factors that contribute to employee turnover beyond acceptable level, for purposes of this study the factors will be analyzed includes employees related factors, organizational related factors, external factors (opportunities elsewhere) and extraneous factors to be known with its descriptions forms. Human resource is a very useful asset any company, whether it is business firm or other types organizations. In reality, the success of every company or business is highly dependent on the effectiveness and efficiency of its manpower (Samuel and Chipunza, 2009). Any business may invest much resources to the core operations and activities, but the company cannot be succeed in the long run without a highly effective human resource

(Ton and Huckman, 2008). Here under the theoretical review of the study, the following two theories are the important theories which can make clear the concepts associated to the topic of factors that contribute to employee's turnover intention in a private business firms in particular and causes to employee's turnover intention of any organization in general. These two theories include Instrumentality Theory (Taylor's perspective of scientific management) and Herzberg's two factor theory. Herzberg's two factor theory was the extended of the Maslow hierarchy of need theory. These theories help the researcher and users of this study to clearly understand the factors contributing to employee's turnover intention.

2.1.1. Instrumentality Theory

Instrumentality Theory (Taylor's perspective of scientific management) by (Taylor, 1911) employee work harder if they are compensated a large and permanent increase in their money and on the principal of reinforcement as influenced by (Skinner's, 1974) concept of conditioning, the theory that people can be 'conditioned' to act in certain ways if they rewarded for behaving as required. In combination of these two views, they emerged with theory called Instrumentality theory which states that "**people only work for money**". This theory basically carries money related view, which viewed financial reward as essential requirement for retaining human resource at the organizations. In fact which is true to some extent but it is not comprehensive way to retain employees in the long run since there are others human factors which are very essential for retaining human resource at work place. For the case this theory could apply to some extent in this study because high financial reward attract worker to stay in organization which is somehow contravention.

2.1.2. Herzberg's Two Factor Theory

Frederick Herzberg (1957) and his associates was the founder of two factor theory who tries to extend the Maslow's hierarchy of need theory. According to Robbins, 2009, Herzberg defined two sets of factors in deciding employees working attitudes and level of performance, named **Motivation** and **Hygiene Factors**. Motivation Factors are internal Factors like recognition, achievement, work itself, growth, advancement and responsibility that will increase employees' job satisfaction; while Hygiene Factors are External Factors such as salary, status, security,

personal life, work conditions, company policy and administration and this to prevent any employees' dissatisfaction. Herzberg furthered that full supply of Hygiene Factors will not necessarily result in employees' job satisfaction. In order to increase employees' performance or productivity, Motivation factors must be addressed. Although Herzberg's two factors theory has been subjected to several criticisms, it is useful for this study because both an internal (motivational factors) and external factors (hygiene Factors) are the main factors contributing to employees turnover in an organizations in general and private business firms in particular.

2.1.3. Factors that Contributes to Employee's Turnover Intention

There are variable reasons employees decide for leaving the organization they are working and these multiple reasons may be from the internal dissatisfaction or external better job opportunities. According to Armstrong, 2004 the factors for employees turnover intention are contributed by the interest for more financial rewards, better prospects (career move), more job security, opportunity to development, better working environments, avoiding poor relationship with managers, and generally avoiding poor management practices and philosophies. Employees decides to leave an organization because of the four major causes including the level of job satisfaction, labour market conditions, expectations of alternative job advantages and length of employment time with the organization (Robinsons, 2005). But it is commonly understood that employee's turnover intention which is a dependent variable caused by multiple of independent factors such as net salaries paid, working condition, performance appraisal, availability of career development programs, leadership and management style or philosophy, job security and others. Thus these factors are broadly seen as of the following major factor descriptions.

i. Work Environment

In the business and other types of firms the work environment is changing, how fast organizations are able to change with the dynamics of environment determine the survival of these organizations. These dynamics threaten the existence of any company and when employees feel the organization will not keep up with the changes they start looking for opportunities elsewhere and this increases turnover intention in organizations (Aldrich, 2008). Work environment or conditions include work schedules, reporting times, nature of supervisors, nature of work, respect, responsibility, interaction and work flexibility among others play a significant

role in keeping an employee motivated to perform effectively. When Employee turnover is very high in companies, it is a clear indicator of that there is unclear responsibilities, job design, enrichment, inappropriate nature of supervisors to existing working environment (Appelbaum and Kamal, 2000). Unclear responsibilities and inappropriate work schedules create difficulties to individual workers to set their own objectives and work effectively this results failure to achieve the corporate goals and consume huge supervision. It is necessary for firms to evaluate and modify their employment terms and focus more on improving working conditions and redesign jobs in order to attract, develop and retain talented employees.

ii. Financial Rewards

Adequate and flexible benefits can demonstrate to employees that a company is supportive and fair, and there is evidence to suggest that benefits are at the top of the list of reasons why employees choose to stay with their employer or to join the company in the first place (Lockhead and Stephens, 2004). Many companies are responding to the increasingly diverse needs of their employees by introducing a greater element of choice in the range of benefits from which their workers can choose. Flexibility in benefits packages can enhance retention, as it creates responsiveness to the specific needs and circumstances of individual employees (Rampur, 2009). Employees always look for companies who offer more benefits and compensation package. This is the most common factors in remaining with the company. In addition, unequal or substandard wage structures fall under salary and benefits category as a reason to leave the organization.

“When two or more employees perform similar work and have similar responsibilities, differences in pay rate can drive lower paid employees to quit. In a like vein, if you pay less than other employers for similar work, employees are likely to jump for higher pay, if other factors are relatively equal” (Handelsman, 2009).

On top of things, the most common reason for employee turnover intention being so high is the salary scale because employees are usually in search of jobs that pay well. Those who are desperate for a job may take the first one that comes along to carry them through searching for better paying employment. The salaries of employee need to be increased, which will not only retain the present employees but also, it helps to attract employees of other organization as well

(Irshad, 2009). Paying employees according to their knowledge and skills is a traditional approach so that pay is attached to the performance.

iii. Performance Appraisal

Performance appraisal is a process of inspecting and evaluating one's performance in his or her duty to facilitate the decision of career improvement and recognition of the individual. It evaluates the one's overall contribution to the company through assessment of their internal behaviors, working performance and their capability to pursue higher positions in organization (Gruman & Saks, 2011). In order to enhance organizations' ability to survive through turbulent environment, most top corporations take great care in managing the performance measures of their employees. An appropriate appraisal results in enhancing employee development from feedback as well as higher employee satisfaction comprehension by company. However, if appraisal program is simply functioned as a tool of measurement and monitoring, problems arisen both on the evaluator and respondent where tension overwhelmed because of wrong decision. People differ in their abilities and their aptitudes. There is always some difference between the quality and quantity of the same work on the same job being done by two different people. Therefore, performance appraisal is necessary to understand each employee's abilities, competencies and relative merit and worth for the organization. Performance appraisal rates the employees in terms of their performance and it helps for motivation and satisfaction, training and development, recruitment and induction, employee evaluation, career planning and development, compensation adjustments and placement decisions. In order to get these importance performance appraisal process consists of the following stages.

- i. Establishing Performance Standards:** is the process of performance appraisal is setting up of the standards which will be used as the base to compare the actual performance of employees.
- ii. Communicating the Standards:** Once the standards are set, it is the responsibility of the management to communicate the standards to all the employees of the organization.
- iii. Measuring the Actual Performance:** is measuring the actual performance of the employees that is the work done by the employees during the specified period of

time. It is a continuous process which involves monitoring the performance throughout the year.

- iv. **Comparing the Actual with the Desired Performance:** The actual performance is compared with the desired or the standard performance. The comparison helps to know the deviations in the performance of the employees from the standards set.
- v. **Discussing Results:** The results of the appraisal are to be communicated and discussed with the employees on one-to-one basis. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can have an effect on the employees' future performance.
- vi. **Feedback:** The last step of the process is giving feedback which can be taken either to improve the performance of the employees, take the required corrective actions, or the related HR decisions like rewards, promotions, demotions, transfers etc.

iv. Career Development

According to Oosthuizen (2001) cited at Tsegaye Molla (2016), one of the most important aspects that has an effect on employee job satisfaction, and retention of employees in the employee development programs of the company is career development. From the functions of managers to the employees successfully achieve their task and motivate them to achieve greater organizational efficiency which reduces their intention to leave, the impact on their customer satisfaction and loses the company on good competitive advantage. Employee career development program for employees as an activity performed to indicate companies care about their employees wants to achieve. Many of the companies engaged in employee development program for the purpose of their contributions towards employee job satisfaction and retention that is used for employees worked hard in order to utilize their full skills and efforts to achieve the goals of the organizations. This concept indicates that employee development has recognized by the employees who want to learn or who are willing to learn. When employees are willing to learn, they show their interest in the developmental activities, as a result they are more satisfy and retain with their job which was lead to increase in their performance (Elena P. 2000).

v. Job Security

Job security is very important to guarantee the job. These employees who feel secure in working have a positive impact on job satisfaction whereas job insecurity has an effect on increasing employee dissatisfaction at work (Sverke et al, 2014). According to Borland (1999), job security is defined as a freedom from fear of losing a job. Once employees feel that they are secured, they can relax and do their best work instead of worrying about short term problems, risky work environment, fretting about bills and debts, labour market risks mental and physical disability and stressing about what management might be thinking about their future with the company. By doing their best work and concentrating on their career trajectory, they can build status in their field and save for their retirement. It is those employees who don't fear for their jobs who are the ones who will perform to their highest levels. Thus the companies are likely to get the best work from them when they feel secure. Generally; job security touches upon the following aspects: career stability, improved motivation, looks better on your resume, considerations. Quite a number of factors such as employment contract, collective bargaining agreement, labor legislation and personal factors such as education, work experience, job functional area, work industry, work location, etc., play an important role in determining the need for an individual's services and impacts their personal job security. Generally, certain type of jobs and industry jobs has been perceived to have high job security. For instance, government jobs, educational jobs, healthcare jobs and law enforcement jobs are deemed to be very secure while on the other hand, jobs in the private sector are widely perceived to offer lower job security which may also be according to industry, location, occupation and other factors (Adebayo and Lucky, 2012).

vi. Employee participation

Employee participation is the degree to which employers allow their employees to be involved in organizational decision-making (Talib & Rahman, 2010). Involving in decision-making process may be a challenge for many employees but it increases motivation. Employee participation plays an important role in effective function of management strategies and employee job satisfaction (Scott & Marshall, 2004). Scholars argued that if employees are properly informed about things concerning them and allow them to make decisions related to their work, there will be benefits for both the organization and employees (Shadur, Kienzle, Rodwell, 1999). Employee participation helps to enhance production efficiency, employee morale, and job

satisfaction; it also builds a better sense of control and trust among employees (Chang & Lorenzi, 1983). When employees are afforded opportunities to contribute ideas and suggestions in decision-making, firm performance may increase because deep employee involvement in decision-making maximizes the diversity of perspectives (Kemelgor, 2002). Better information flow and use clarify task goals, thus producing qualitatively better decisions. Support for the participative approach and how its effects continue can be time-consuming due to learning through behavioral practice, which represents the behavioral process effect. According to Noah (2008), there is also a significant relationship between frequency of employee consultations and organizational commitment. Workers with greater choice regarding how to do their work have high job satisfaction and, consequently, have high performance (Spreitzer et al., 1997). Employee involvement contributes to organizational efficiency because it can improve the quality of decision-making by increasing inputs and promoting commitment to the outcomes.

vii. Leadership Style

Leadership is one of the important aspects that result to improve performance of the organization. The approach applied by managers to influence employee to perform will vary from one organization to another in the today's organizational context. Timmins (2008) states that team work among employees and knowledge management is enhanced by good leadership in the organization. It may be autocratic, participative and laissez-faire style of management. According to Raelin (2003) autocratic leadership style is more of a "yes sir" kind of leadership where the leader is always right and the followers do not question authority. This results higher turnover intention, turnover and subordinate and manager conflicts tend to be more frequent since diversity of cultures and mindset of the individuals exist in the working environment of organizations. Participative leadership style is more inclusive and encourages inspired to be creative, perform as a team, analyze complex problems, improve the quality of their output and provide exemplary customer service. An organization who follow this leadership style helps to be innovate and grow in line with changes in business operations and employees will be more inclined to stay and work longer where such leadership style in implemented as they feel they are part of the organization and thus leaving the organization will be like leaving their home and family. According to Avolio and Bass (2001) laissez faire leadership style is mostly used by individuals in a group who do not care what happens, avoid taking responsibility cannot take

make up their minds and opt to sit and wait for others to take initiative. Leadership style is an important factor in promoting and implementing effective employee outcomes within organizations. Different leadership theories suggest that leaders have specific behaviors that can influence their employees within an organization context resulting to improved performance. Organizational output is influenced by employees' effort leading to increased productivity, positive employee attitudes and perceptions.

viii. Employee Training

According to Latham (1988), training is defined as the systematic acquisition and development of the knowledge, skills and attitudes required by human resources to properly act an assigned task so as to improve performance in the assigned job environment. If the training is adequate and if it is efficiently and effectively designed and delivered, it should impart new body of knowledge and skills as well as achieve the employees' and company's needs. This result the employees to have good attitude in their job and organization which impacts positively in decreasing employee's turnover intention because of inappropriate employee's training program. On the contrary inappropriate training and out of need training program affects employee's retention and increases employee's turnover intention. However, training alone cannot address all of the factors contributing to staff turnover intention in the organization. Therefore; training reasonably play a great role in improving retention but it may not be sufficient to improve retention if other systematic barriers are not fully addressed.

2.1.4. How Firms Improves Employee's Retention

It is so important to secure and properly manage competent employees as the most essential resource of any organization whether it is business firm or not, because human resources need for effective and efficient delivery of goods and services by organizations to their target customers. (Gberevbie, 2010) argued that if appropriate employee retention strategies and policies are adopted and implemented by companies, employees will surely remain and work for the successful achievement of company's goals.

“If the factors work environment, training and development, leadership and employee retention, promotion and opportunity for growth, compensation and

rewards, participation in decision making, work life balance and Job satisfaction exist in an organizations, the tendency of employee leaving the organization is reduced” (Baruah, 2013).

i. Subordinate-Superior Relationship

This relationship, according to Taylor (2002) determines how happy and satisfied the employees are with their jobs and work environment, how good their prospects of career development are within the organization, and the quality of their day-to-day experiences in the workplace. It is truly known that good relationship between the superior and the subordinates perceived increases the probability of employees to stay within an organization on the contrary, a poor or non-existent relationship, facilitates the chances of voluntary resignation of the employees. Therefore, leadership style and philosophy can affect organization’s employees work satisfaction either positively or negatively.

ii. Chance of internal career development

It is way of creating opportunity for promotion within an organization by providing opportunity for training and skills development that allows employees to improve their employability in the market. The performance of employees is becoming to be better when they have the opportunities for career development within their organization or the firm they are in and minimize voluntary exit of employees which help it to keep its competitive advantages (Das and Baruahm, 2013). The other methods to create retention of employees in the organization or firms for the long period of time with their efficient and effective working habits may includes creating job satisfaction, establishing proper benefits and rewards, work-life balance, good communication within the organizations in all upward, downward and horizontally, appropriate training and development practices, generally the suitable working environment.

iii. Competitive and Fair Compensation

Competitive and fair compensation is a valuable starting point in most strategies to attract and retain good employees especially those employees whose gives outstanding performance or unique skill which is necessary to the organization because company finance more amount on their training and orientation (Lawler 2005 and Smith 2006). Even though compensation levels

do not single-handedly guarantee for employee retention, it is a better common practices to use the industry surveys to benchmark and position wage and salary structures to be fair and competitive. According to Pires (2009) Develop competitive compensation and benefit packages by understanding and research market pay ranges in your area and consider the value of benefits and employee perks; offering such extras to your workforce may be the key to your retention efforts”. Firms able to retain and attract well-qualified and professional employees if they make it a point to offer salaries that are competitive in order to achieve better financial position (Hansen, 2002). This would possibly resolve the problem of employees leaving based on low salaries. Employers should also offer attractive benefit packages.

iv. Conducive Working environment

Work environment includes those directed at the physical work environment (cleanliness, safety, ergonomics, etc.); health practices (supporting healthy lifestyles, fitness, etc.); and social environment and personal resources (organizational culture, a sense of control over one’s work, employee assistance programs, etc.). Healthy workplace initiatives not only improve the health and well-being of individual employees, but also contribute to business performance objectives including employee retention (Rehman, 2012). Flexible work schedule will increasingly be an important issue in the efforts to retain an organization’s critical employees. The future opportunities for the employees also help in retaining employees because these opportunities are associated with more pay, additional work responsibilities, superior work environment and different incentive plans. Enhancing open lines of communication between managers and employees can improve the quality of working relationships. Many interventions designed to make the workplace more hospitable can lead to improved retention (Griffeth & Hom, 2001).

To sum up: In today’s dynamic world, organizations need to be concerned about retaining their workers because retaining valuable employee is one of the important issues for developing competitive organizations. Hiring is not an easy process and recruiting the right candidate is a time consuming processes, an organization invests time and money in training an individual and make them ready to work and understand the corporate culture. To retain employees, the organizations must review their career plans and reorganize those plans according to the market so that intelligent and talented employees could serve more and would beneficial in the long run (Nadeem et al, 2011). Since; today employees are the most valuable assets in any company, it is

better for organizations to continue working with their current talented employees than to encourage labor turnover by hiring new employees.

2.2. Empirical Review

The empirical review of this section tried to incorporate the main research problem or gap existed as a result of reviewing other researches, information or evidence done before from different researchers regarding to the factors that contributes to employee's turnover through brief summary by supporting with the existing evidence. The section mainly focuses on the studies have done in Ethiopia and the rest of world.

In Ethiopia particularly and most African countries in general, the employee's turnover intention in private business firms have not given due emphasis rather most of the studies were focused on the employee's turnover factors in governmental or public organizations. As a result the objective of the study was to examine employee's turnover intention and private business firm's staffing problems particularly at AMWSC.

One study that was conducted in United Kingdom by (Booth and Hamer, 2007) on employee's turnover; study was on the employee's turnover in the retail industry and tried to predict the role of individual, organization and environmental conditions targeting for identifying major factors that exert influence the variability of employee's turnover. The approach that was implemented in the study was a case study type at major retailer. The main data entry sources were an index for local competitive and labour market factors, an annual employee survey and internal employee's turnover data for each United Kingdom unit of the retailer. The method of data analysis that was implemented was stepwise regression to find out the main relationship between the factors that of employee's turnover. According the findings of this study the main influencing factors for the employee's turnover was organizational cultures such as company culture and values have significant influence on employee's turnover. The environmental factors such as local labour markets also exert a major influence on employee's turnover. Also the study found out management behavior of the organization's operational and control variables is also of important in decision fall in regarding with employee's turnover. This study indicated that the factor that causes to the employee's turnover comes from individual, organization and environmental conditions. The (Booth and Hamer, 2007) was useful in this study because the

study tried to focus on the above three factors area even though the study was too general and the researcher's result of study may come other detailed variables as well as new factors of employee's turnover in case of AMWSC.

As studied by (Munishi, 1993) and cited in the study factors that contributes to employee's turnover in private educational institutions of Tanzania by (Sadiki Severin Nombo, 2013), the academic employee's turnover in higher educational institutions provided that the factors responsible for employee's turnover include low pay package, working environment, discriminatory remuneration between local academic staffs and foreign expatriates, lack of an objective promotion criteria and lack of recognitions. The researcher also noted that the remedial to the problem including improvement in pay, package, according to level of education, improving working environments and designing an objective promotion criteria to ensure that all staff are objectively promoted. Although the sectors is so different from the private business firms particularly AMWSC, the problems of the employee's turnover shares common variables in their causal links and the country relatively similar to the Ethiopian case that is why the researcher incorporate this study as a benchmark to start the study in private business firm at Ambo Mineral Water S.C.

Another study that was conducted by (Omer Abdulmohsin, 2015) on the factors contributes to employee's turnover intentions a case of Petram Private Limited Company in Ethiopia. The type of research design implemented in the study was descriptive research and inferential analysis. The study concluded its finding by incorporating 40.20% of the population from 199 company's employees. In the study, the researcher tried to incorporate individual, organizational, and external factors contributing to employee turnover intentions and found out external environment was the highest predictor of level of intention towards employee's turnover with a mean of 4.07 and standard deviation of 1.89 followed by organizational variables. While company's employee were less Influenced by individual variables at a mean of 3.60. As per this study the researcher conclusion is too general doesn't show which external, organizational and individual factors and by how much to the whole factors. Therefore, this study tried to overcome the problem too generalization and have the details of each major factors in regarding to all employee, employer, external and extraneous variables contributing to employee's turnover.

Blen Asegid (2018) conducted a study on employee Turnover and Organization Performance at Shintes ETB Garment PLC and the study was implemented qualitative and quantitative research approach and descriptive research design. The researcher use 205 respondents from the total of 4174 members of the Shintes ETB Garment Plc using stratified sampling technique. According to this study, it found out the factors to the employee's turnover were low pay and reward system of the organization, repetitive nature of the job, lack of job rotation, lack of organizational motivation, poor selection and recruitment procedures, and bad employee organization relationship and cultural difference in values especially of time between the owner and the majority of employees and the study also found out that the wastage of working hours by individual employees were very high to contribute in all those manifestation of turnover influence which largely emanated from the poor working culture and ethics.

There are a multiple of studies that have been studied on the factors that contributes on employee's turnover and most of the studies concluded that the major factors to employee's turnover were minimum pay or salaries in the organization they are in, working environment like organizational cultures, difference in pay of similar job, work load and lack of recognition in the company. Most of the reviewed literatures taken were not directly dealt with employee's turnover intention on the firms of fast moving consumable goods (FMCGs) but they have similar and useful to this study. But AMWSC is a producing and merchandizing on fast moving consumable goods (FMCGs) which are different sector and the focus of this study project was on employee's turnover intention. Since the sector AMWSC is different from the above all and this research project tried to incorporate the factors salary, career development, working conditions, participation of employees in the company's decision making process, performance appraisal, and job security. Therefore, in this study all these listed factors were assessed their contribution towards employee's turnover intention. This study also tried to add new body of knowledge in the area of employee's turnover intention since it involve additional factors that have not been addressed before in private business firms particularly in AMWSC.

2.3. Conceptual Framework

A turnover intention may be emerged with the impact of variety factors and those were identified according to the literatures. Accordingly, salary, working environment, employee's participation,

performance appraisal, job security and career development, are the independent variables which contribute threats to the dependent variable of employee's turnover intention. The rate of employee turnover has been increasing from time to time due to a lot of factors. Therefore, organizations need to have proper policies and strategies to handle such independent factors otherwise the firms may lose their competitiveness. The following figure illustrates the factors that contribute to employees' turnover intention which were widely employed in this study.

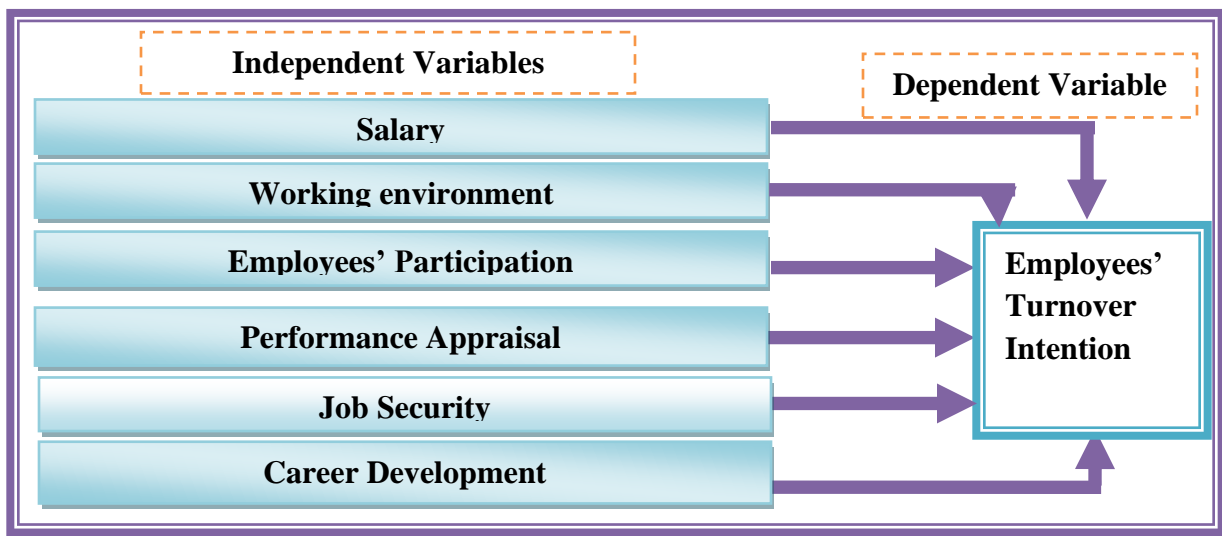


Figure 1: Conceptual Framework

Source: Adopted from Candle, 2010

2.4. Hypotheses of the Study

Based on the above theoretical review, empirical analysis and conceptual frameworks related with the objective of the study, the following alternative hypotheses were drawn to be tested.

HA₁: Salary is significantly contributes on employee's turnover intention at AMWSC

HA₂: Working environment is significantly contributes on employee's turnover intention.

HA₃: Employees' participation is significantly contributes on employee's turnover intention.

HA₄: Performance appraisal is significantly contributes on employee's turnover intention.

HA₅: Job security is significantly contributes on employee's turnover intention.

HA₆: Career development is significantly contributes on employee's turnover intention.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

According to Kothari (2004), research methodology refers to the systematic way of finding solution to research problem. It deals with research method and the logic behind the methods we are using or not using a particular method or technique. Accordingly, this chapter of the study contains research design and approaches, population of the study, the sample size and sampling techniques, sources of data, data collection instruments, data collection procedures, types of data, data analysis methods, checks for validity and reliability and ethical considerations.

3.1. Research Design and Approaches

Research design is an arrangement of conditions for collection data and analysis to useful information in a situation that its goal is to combine relevance with the research objectives or purpose (Kombo and Tromp, 2006). In this study from the three classification of research design based on purpose (exploratory, descriptive and explanatory types of research design); descriptive and explanatory research design and from the approaches both quantitative and qualitative research (mixed research approach) were implemented.

Descriptive method of research design helps to clearly describe the current factual and relevant aspects of the phenomenon of interest about a particular individual, group, or situation (Sekaran, 2003). A descriptive method of research design in this study was used to explore the current facts of the factors that contribute to employees' turnover intention at AMWSC. Explanatory type of research design was used in this study to identify any causal links between the factors or variables that pertain to the research problem i.e. employee's turnover intention at AMWSC. The quantitative and qualitative research approaches in this research were implemented for rationale of combining both numeric values from quantitative research approach and the details conceptual datas of qualitative research in order to neutralize limitations of applying any of a single approach. According to Creswell (2011), the mixed research approach uses separate quantitative and qualitative methods as a means to offset the weaknesses inherent within one method with the strengths of the other method.

3.2. Population, Sample Size and Sampling Techniques

In this sub section, it was included that the total population in which the study has been conducted, the sample size selected from those total population and techniques of sampling.

3.2.1. Population of the Study

Currently there are total of 424 employees in AMWSC including all managerial and operational level human resources. In this study employees from higher level management to lower level operational employees of five departments were equally represented according to their proportion of number and other heterogeneity and homogenous character in the company. The study was employed at the head office located at Kality which contain five departments except production department. This is because production department is located at Ambo Senkele which far distant from its main head office. Therefore, the population for this study was **204** employees.

Table 2: Current staff distributions at the head office in AMWSC

No.	Departments at head office	Number of staff
1	Sales and marketing	44
2	Technology and IT	3
3	Logistics and distribution	140
4	Finance and procurement department	12
5	Human resource department	5
Total		204

3.2.2. Sample Size

To determine the appropriate sample size from the given finite total population, Yamane's (1967) simplified formula was used. In case for the study; the population size was 204, we use 95% confidence level. Then, we get the following sample size below.

Where: n = Sample size, N= Population Size for the study, e= the desired level of precision

$$n = \frac{N}{1 + N(e)^2}, \quad n = \frac{204}{1+204(0.05)^2} = 135$$

which is **66.176%** of the total population

The sample distribution for the study from each department was administered proportionally 66.176% and this was shown here in the following table.

Table 3: Sample Size distribution from each department

No.	Departments at head office	Number of staff	Size of sample
1	Sales and marketing employees	44	29
2	Technology and IT employees	3	2
3	Logistics and distribution employees	140	93
4	Finance and procurement department	12	8
5	Human resource employees	5	3
Total		204	135

3.2.3. Sampling Techniques

Sampling technique is the process of selecting a small number of elements from a larger target group population and the information gathered from the small group will allow judgments to be made about the larger groups. The sampling technique that was used in this research was probability sampling method of stratified random sampling which was used to take sample from heterogeneous population (based on employment history of different departments) and other method of sampling technique implemented was non probability sampling of purposive sampling (deliberate sampling) technique to select respondents from human resource department and top level managers from each departments.

Stratified random sampling is the probability sampling procedure in which simple random sub samples are drawn from within different strata that are more or less equal on some characteristics. Thus in this study it has been implemented that the heterogeneous population that is (sales and marketing related employees, human resource employees, technology and IT related employees, financial related employees, logistic related employees) grouped each with a single strata and they were grouped in their own strata according to their similarity of their corresponding employment history therefore select from each stratum randomly to have all equal chance in selection process. Purposive sampling (deliberate sampling) technique in this study enables the researcher to sample on the basis of his/her judgment. In this study the researcher

used purposive sampling in order to get respondents according to their managerial roles and help to get relevant data. Through the use of this sampling technique, one manager from each five departments was selected independently.

3.3. Sources of Data

The intended sources of data for this research were both primary source and secondary sources of data. The sources of primary data for the study were obtained directly from respondents through questionnaire and semi-structured interviews while secondary sources of data were from different research, reports, records, books, journals, published documents and websites which were collected before and had used according to its suitability for studying this research project.

3.4. Data Collection Instruments

Questionnaire: One of data collection instrument or method in this research was questionnaire method. The data collection method was designed as questionnaire that can be filled by non managerial employees from all five departments of the company. Questionnaire method was selected because it saves time, limits interviewer bias, data can be collected in a large sample and confidentiality is upheld from those respondents for the study (Kombo and Tromp, 2006). Accordingly, it was operational as multiple choice questions and as rating using five point Likert scale. It was administered by the researcher and respondents have got clarification when they got difficulties and they were returned it after they fully completed it in their area of workplace.

Interview method: The other data collection instrument or method in this research was interview method and it is the most common and effective method of taking detailed information during the study. Semi-structured interview was implemented with all department top level managers and human resource manager of the company. In the study the researcher conducted semi structured interview because the interviewer has been the chance of getting detail datas of the interviewee by elaborating on the original questions and wide range of data were collected from factual demographic data to highly personal and detail information relating to one's opinions, attitudes, values, beliefs, past experience and future intentions. The interview was conducted both by English and Amharic languages to make the participant to express freely in a language they are familiar with.

3.5. Procedures of Data Collection

A procedure of data collection from the secondary sources is less complex as compared to that of the primary sources. It was collected from literature and previous research results related to the topic of this study i.e. employee's turnover intention in private business firms. These datas of the previous research studies first have been read and analyze carefully to examine what issues and problems had been addressed in the literatures and research results and what issues didn't addressed to have a properly designed research problem and questions. Secondly, these datas were taken according to scientific data taking from secondary sources. The primary datas were collected using questionnaire and semi-structured interview methods. Thus the primary data was collected vital data from direct participants (employees of AMWSC) of this study.

Datas collected using interview was conducted first by selecting purposively top level managers of each five department of AMWSC and then the researcher was preparing a semi structured interview to all managers within their own managerial office and was taken detailed datas from all of them within five different days and it consumes an average time of 45 minutes thus around average 9 minutes to each department managers.

The procedures to take datas using questionnaire were operational by conducting pilot testing with few respondents to check whether they can provide reliable and valid information as per the expectation of this study with the factors of employee's turnover intention. Then the questionnaires were distributed to all selected sample respondents by the researcher himself and help them when they have got some difficulties and appreciate them to attempt all questions of the study as per the instruction. Finally the filled questionnaire was collected from respondents for arrangement to code and enter in the data processing tool by the researcher.

3.6. Validity and Reliability

i. Validity

Validity defined as whether the used approach to measurement is truly measures what it is needed to measure (Marcyk et al., 2005). To check the validity of the used instruments, the questionnaire was designed in a way that the respondents able to attempt. The study also used

manageable sample size distribution of all five departments of the company for insuring appropriate data collection and has enough time to administer as well as attempt all questions. In addition the respondents of this questionnaire have at least secondary education certificate, diploma, degree and master’s degree. This assures that they can attempt the questions given with full understanding and minimize errors when filling questionnaires. So does the semi structured interview from each department; they all have research experience this assure the result of the study didn’t face errors from the respondents.

ii. Reliability

Reliability is a criterion that can be defined as the consistency of data stemming from perspectives of the use of particular study techniques or the extent to which the data collection techniques or analysis procedures were yield consistent findings for the study. Thus, to test for the reliability of questionnaire a pilot testing of fifty respondents was conducted to test and retest of the instruments. The reliability of the instrument was measured by the cronbache’s alpha. Accordingly, the following result was obtained on SPSS.

Table 4: Reliability of the instrument

	No, of items	Cronbach alpha coefficient
Salary paid	4	0.717
Working environment	4	0.794
Employees’ participation	4	0.719
Performance appraisal	4	0.741
Job security	4	0.833
Career development	4	0.768

Source: Own survey, (2020)

As explained by Sekaran (2003), reliabilities which are less than 0.6 are considered to be poor, in the 0.7 range acceptable, over 0.8 are good and those closer to 1 is better. As shown in the above table, the instrument used in this study was reliable with cronbach’s alpha value of the independent variables (salary paid is 0.717, working environment 0.794, employees’ participation 0.719, performance appraisal 0.741, job security 0.833 and Career development 0.768). Therefore all the coefficients are greater than 0.7 and one is greater 0.8 thus the overall

reliability of coefficients is considered as better. According to the results obtained, the data collection instrument was consistent and dependable in measuring what it intends to measure.

3.7. Method of Data Analysis

Data analysis is the way to examine what have been collected using different data collection instruments and techniques and making deductions and inferences (Kombo and Tromp, 2006). For this study two design namely explanatory method and descriptive method were used. Explanatory method was used to draw the causal relationship of the factors with the main dependent variable i.e. employee's turnover intention. Descriptive method of research design in this study was used to explore the current facts of the factors that contribute to employees' turnover intention at AMWSC.

In this study both qualitative and quantitative methods were used for analyzing the datas. Data collected using questionnaire was analyzed through descriptive statistics based on summarized comparisons using frequency, percentages, mean and standard deviation of five point Likert scale; the results were presented using tables and charts. While, data collected from the interview questions were interpreted qualitatively. In analyzing the data obtained from interview, narrative approaches including quotations from respondent was implemented. Furthermore, the collected data was also analyzed by statistical computation of correlation to explore the inherent relationships among the different variables and regression coefficients to identify the causal links of the factors to the dependent variable of employee's turnover using SPSS.

3.8. Ethical Considerations

The study assures that apply all measures to build ethical behavior in all the research process and activities. Any referred sources are duly acknowledged. The research try to ensure there was no bias in terms of difference like sex, social group, employment history and others. The confidentiality was also maintained to respect the wellbeing of respondents and instruments of this study doesn't contain any personnel information space such as name, phone numbers thus they were not allowed to write any personnel information. Therefore, private issues were not being disclosed to anybody. The result of this study used for academic purpose and general recommendations and solutions given to the company.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

This chapter presents the analysis of data and interpretation of the analyzed data under the study carried out in investigating “factors that contribute to employees’ turnover intention at AMWSC”. Analysis and interpretation were presented as the respondent’s demographic profile, the major factors of employees’ turnover intention, which factor were highly contributing to the existing turnover intention and what sort of strategies to be adopted to retain employees at AMWSC with appropriate discussion drawn.

4.1. Response Rate of Data Administered

The analysis the research was based on considering the information obtained from 130 non managerial employees for questionnaire and 5 managers of each department which were intended for interview. In order to get a representative data, 155 questionnaires were developed and distributed to employees of AMWSC which were an additional 25 questionnaires distribution for better representativeness. Out of these 155 questionnaires distributed to the respondents, the planned 130 questionnaires were correctly filled and returned. Thus, the analysis is based on the valid 130 questionnaires responded by employees. The rest that were not correctly filled was seven (7) and the other eighteen (18) not returned. While the rest 5 individuals (manager) incorporated in interview analysis and this was fully administered too.

Table 5: Response rate of questionnaires administered

Items	Employees of AMWSC		
	Correctly filled and returned	Not correctly filled	Not returned
Number	130	7	18
Percentage	83.87%	4.52%	11.61%
Percentage of the plan	100%		

Source: own survey, (2020)

As clearly shown on the above table, the response rate of respondents was 100% from the actual plan since the researcher conduct additional 25 questions and the rest not correctly filled and were not returned .This implies the response rate is large enough i.e. 100% to analyze the data.

4.2. The Respondent’s Profile

In this sub section of the study, the researcher mainly focused on the explanation of the respondents’ characteristics with regard to gender, age, academic qualification, department they are working in, years they have been working in AMWSC and number of organization/s worked before they joined AMWSC. Accordingly, each of the respondents’ profile was described below.

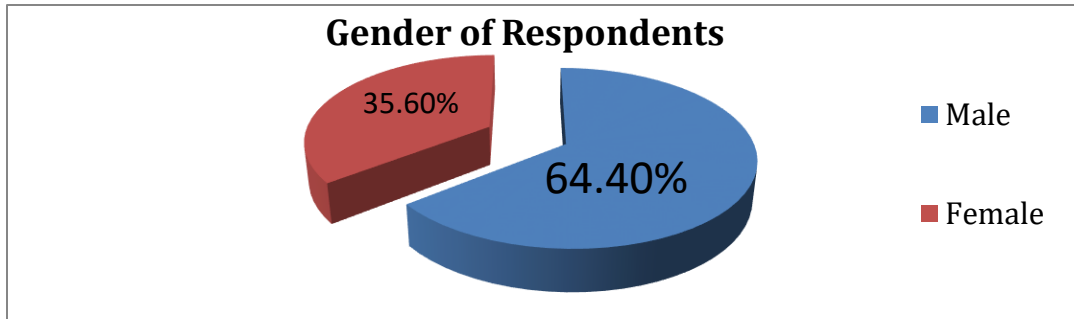


Figure 2: Gender

As shown in the above chart, from the total respondents of the study about 64.40% (87) are male while 35.60% (48) are females. The figure shows the number of men was almost double to that of females. This is an indicator to AMWSC management that there is gender imbalance in employment which requires immediate action to rectify the practice and employment situation.

Table 6: Age of respondents

	Frequency	Percent	Cumulative Percent
Below 26	26	19.3	19.3
26 – 35	61	45.2	64.4
36 – 45	29	21.5	85.9
46 – 55	8	5.9	91.9
Above 55	11	8.1	100.0
Total	135	100.0	

According to the above analysis those involved in the study, finding revealed that about 26 (19.30%) of the respondents were aged below 26 years, 61 (45.20%) of the respondents were aged between 26 – 35 years, 29 (21.50%) of respondents were aged between 36 – 45 years, 8 (5.90%) of respondents were aged between 46 – 55 years and the rest 11(8.10%) respondents

were above 55 years. This indicates that the majority of the employees at AMWSC were under the young group. This may create a challenge that the young age group is said to be the most mobile group with a lot of vision and interests in many work and institutions. The finding also showed that about 11(8.10%) of employees are above 55 years, and as per the Ethiopian law those employees are near to retired who are likely to have low service delivery due to age limit.

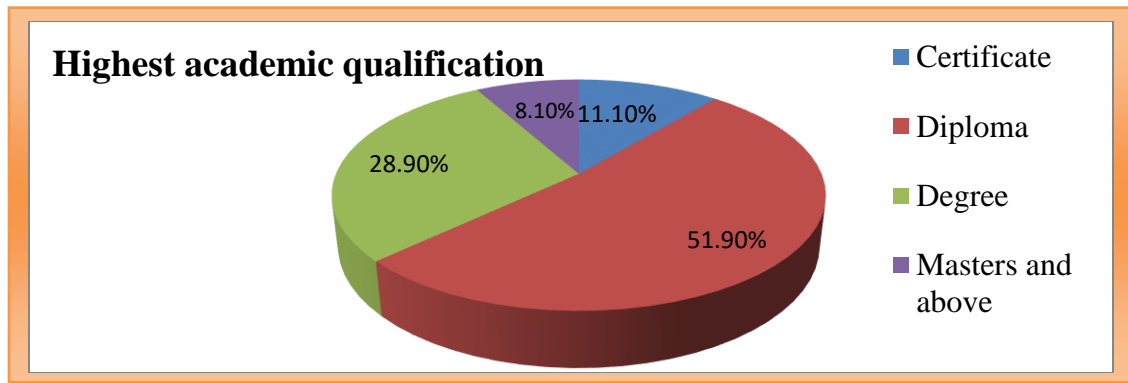


Figure 3: Highest academic qualification

In this study, it was considered four levels of education which is including certificate, diploma, degree and masters and above. According to the finding, 15(11.10%) respondents hold certificate, 70 (51.90%) respondents had diploma, 39 (28.90%) are degree holders and 11 (8.10%) had masters and above. As per the finding of the study, AMWSC has an average distribution of manpower and the company needs to give chance to the certificate and diploma holder to develop their academic qualification.

Table 7: Department

	Frequency	Percent	Cumulative Percent
Sales and marketing	29	21.5	21.5
HR department	3	2.2	23.7
IT department	2	1.5	25.2
Finance and procurement	8	5.9	31.1
Logistics and distribution	93	68.9	100.0
Total	135	100.0	

As shown in the above table, about 29(21.50%) of the respondents are working for sales and marketing department, 3(2.20%) for HR department, 2(1.50%) for IT department, 8(5.90%)

work in Finance and procurement and 93(68.90%) of the respondents are working in Logistics and distribution department. Therefore the majority of the respondents involved in the study were logistics and distribution department because the company’s human resource has higher logistics and distribution related employees next to production department in the company.

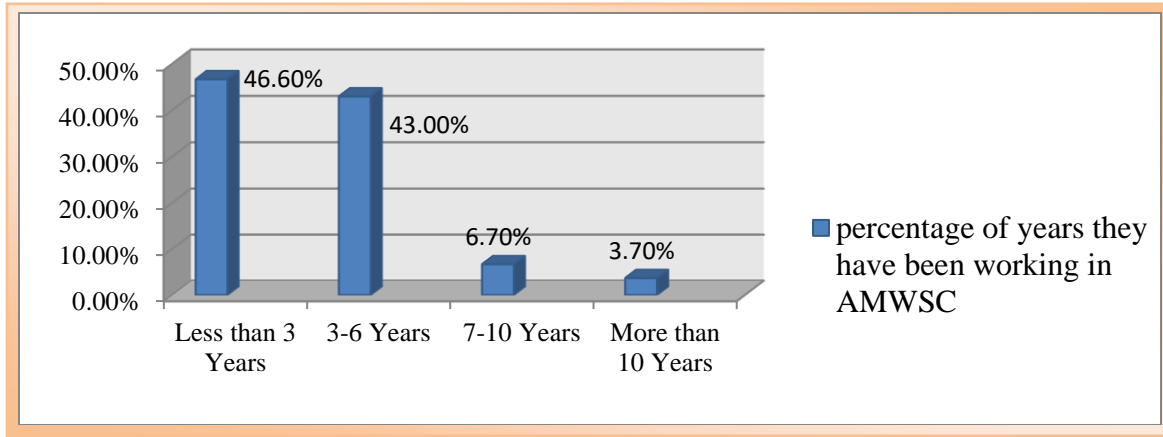


Figure 4: Years they have been working in AMWSC

As shown in the above column chart, 63(46.60%) work in AMWSC less than 3 years, 58(43.00%) work for 3-6 years, 9(6.70%) work for 7-10 years and 5(3.70%) work for more than ten years. As a result this finding most of the respondents work in AMWSC less than three years. This is an indicator that AMWSC doesn’t have experienced work force capital and employees waiting in the company for few years and this contribute negative effect to it.

Table 8: Number of organization/s worked before you joined AMWSC

		Frequency	Percent	Cumulative Percent
Valid	None	70	51.9	51.9
	1 organization	34	25.2	77.0
	2 organizations	14	10.4	87.4
	3 organizations	9	6.7	94.1
	more than 3 organizations	8	5.9	100.0
	Total	135	100.0	

From the above table, the finding revealed that 70(51.90%) respondents have never worked in other organization before joining AMWSC, 34(25.20%) respondents worked in only one organization before joining AMWSC, 14(10.40%) respondents had worked in two

organizations, 9(6.70%) respondents in three organizations, and 8(5.90%) respondents had worked more than three organizations. This result implied that about 51.90% of all workers in AMWSC have never worked in other organization before joining AMWSC. This implied that; if the company design good working environment for those newly employed human resource, it may have a chance to retain powerful employees for longer period.

4.3. Data Analysis

This sub section presents the major factors that contribute to employees' turnover intention in AMWSC. These turnover factors under this study consist of salary paid, working condition, employees' participation, performance appraisal, job security and career development. The participants were rated each statement concerning their perception by using Likert scale to measure the extent of contribution of those factors on employees' turnover intention. The translation level of ranking was analyzed based on the criteria which were designed by Vigerger House, (1997). Hence, the degree of contribution towards turnover intention was set from 1 to 5 (i.e. 1.00 is Strongly Disagree whereas, 5.00 is Strongly Agree).

The perceptions (on the scale from 1 to5) of the planned 6 turnover factors (24 items/ 4 under each single factor) according to the construct questionnaire were rated by the participants and the items descriptive statistics (frequency, mean and standard deviation) sorted regarding to occurrences in the questionnaire. In this study, the items have been ranked their contribution by measuring frequency, mean and standard deviation mainly mean and deviation. Lower mean score stands for strong disagreement, whereas higher mean score indicates high level of agreement. On the other hand Std. deviation presents the degree of dispersion of responses from the mean score.

4.3.1. The Major Factors of Employee's Turnover Intention at AMWSC

In this section, the researcher applying descriptive statistics (especially **frequency, mean and standard deviation**) for the sake of better understanding and summarization, 24 items were grouped into six basic factors based on which construct every questionnaire item was measuring and the analysis is made individually as well as in a grouped manner of the factor.

Table 9: The contribution of salary paid on employees' turnover intention

	SD	D	N	A	SA	Mean	Std. Deviation
I feel I am being paid a fair amount for the work I do.	12	63	24	25	6	2.62	1.045
	9.2%	48.5%	18.5%	19.5%	4.6%		
The salary paid is comparable with what the market offers.	12	63	15	40	00	2.64	1.019
	9.2%	48.5%	11.5%	30.8%	00		
The salary paid is commensurate with the amount other similar firms pay for	13	65	12	34	6	2.65	1.112
	10%	50%	9.2%	26.2%	4.6%		
The salary is based on considering the current living standard	31	64	14	19	2	2.21	1.017
	23.8%	49.2%	10.8%	14.6%	1.5%		
Average Total						2.53	1.048

Source: Own survey, 2020

As per the above table 8, the mean value of “I feel I am being paid a fair amount for the work I do, the salary paid is comparable with what the market offers, the salary paid is commensurate with the amount other similar firms pay for, and the salary is based on considering the current living standard” were 2.62, 2.64, 2.65, 2.21 and Std. deviation 1.045, 1.019, 1.112, 1.017 respectively. As a result “the salary is based on considering the current living standard” has a mean of 2.21 which is lower than other, followed by “I feel I am being paid a fair amount for the work I do” with mean value of 2.62 thus it can be concluded that, the salary paid with an average mean value **2.53** not considering the current living standard and generally employees are disagreed by the salary paid in AMWSC as compared to other factors.

Table 10: The contribution of working environment on employees' turnover intention

	SD	D	N	A	SA	Mean	Std. Deviation
AMWSC has well defined goals, objectives and job design	3	53	38	27	9	2.89	0.990
	2.3%	40.8%	29.2%	20.8%	6.9%		
AMWSC has clear work schedules and reporting times	1	49	47	29	4	2.89	0.865
	0.8%	37.7%	36.2%	22.3%	3.1%		
AMWSC has shared organizational culture and values	1	40	49	20	20	3.14	1.047
	0.8%	30.7%	37.7%	15.4%	15.4%		

There is supportive nature of supervision, adequate working equipment, respect, responsibility and healthy social environment in AMWSC	1	34	41	46	8	3.20	0.927
	0.8%	26.2%	31.5%	35.4%	6.2%		
Average Total						3.03	0.957

Source: Own survey, 2020

When asked to what extent respondents agree or disagree of the statements in the above table 9, the mean value of “AMWSC has well defined goals, objectives and job design, AMWSC has clear work schedules and reporting times, AMWSC has shared organizational culture and values, and there is supportive nature of supervision, adequate working equipment, respect, responsibility and healthy social environment” were 2.89, 2.89, 3.14, 3.20 and Std. deviation 0.990, 0.865, 1.047, 0.927 respectively. Therefore it is concluded that most of the respondents disagreed to the company’s defined goals, objectives, and job design, work schedules and reporting times whereas it has an average shared organizational culture, values and supportive nature of supervision. Generally, working environment with average mean value **3.03**, still it is a problem next to job security.

Table 11: The contribution of employees’ participation on employees’ turnover intention

	SD	D	N	A	SA	Mean	Std. Deviation
AMWSC allow employees to be involved in decision-making to contribute ideas and suggestions concerning them	7	41	14	50	18	3.24	1.193
	5.4%	31.5%	10.8%	38.5%	13.8%		
Employees are properly communicated concerned issues in AMWSC	3	32	12	58	25	3.54	1.129
	2.3%	24.6%	9.2%	44.6%	19.9%		
The contributed ideas properly recognized by management	7	50	40	28	5	2.80	.968
	5.4%	38.5%	30.8%	21.5%	3.8%		
Workers association in AMWSC has the power to represent and reflect the issues of its members freely without influence of the management	18	41	28	23	20	2.89	1.289
	13.8%	31.5%	21.5%	17.7%	15.4%		
Average Total						3.12	1.145

Source: Own survey, 2020

Regarding to what extent they agree or disagree of each statement under employees' participation, the mean value of "AMWSC allow employees to be involved in decision-making to contribute ideas and suggestions concerning them, employees are properly communicated concerned issues in AMWSC, the contributed ideas properly recognized by management, workers association in AMWSC has the power to represent and reflect the issues of its members freely without influence of the management" were 3.24, 3.54, 2.80, 2.89 and Std. deviation 1.193, 1.129, 0.968, 1.289 respectively. Therefore, it is concluded that most of the respondents disagreed to the issues of contributed ideas properly recognized by management and workers association has the power to represent and reflect the issues of its members freely even though they are allowed in decision-making to contribute ideas and communicated concerned issues. Therefore, employees' participation which has an average mean value of **3.12** almost in good position even though there is a problem to contributed ideas properly recognized by management and worker association representation freely as compared other factors (salary, job security, working condition, and career development) included here in this study.

Table 12: The contribution of performance appraisal on employees' turnover intention

	SD	D	N	A	SA	Mean	Std. Deviation
AMWSC has an effective and transparent performance appraisal standards	1	19	63	43	4	3.23	0.763
	0.8%	14.6%	48.5%	33.1%	3.1%		
AMWSC communicates the performance appraisal standards	1	15	53	51	10	3.42	0.824
	0.8%	11.5%	40.8%	39.8%	7.7%		
There is unbiased actual performance measurement and comparison with the standard in AMWSC	1	20	55	45	9	3.32	0.845
	0.8%	15.4%	42.3%	34.6%	6.9%		
AMWSC gives appropriate feedbacks and take corrective actions which helps for performance improvement	1	12	48	57	12	3.52	0.819
	0.8%	9.2%	36.9%	43.8%	9.2%		
Average Total						3.37	0.813

Source: Own survey, 2020

As it can be seen from the above table 11, that were asked to what extent they agree or disagree on performance appraisal issues "AMWSC has an effective and transparent performance appraisal

standards for each duties, AMWSC communicates the performance appraisal standards, there is unbiased actual performance measurement and comparison with the standard in AMWSC, AMWSC gives appropriate feedbacks and take corrective actions which helps for performance improvement” have the mean value 3.23, 3.42, 3.32, 3.52 and Std. deviation 0.763, 0.824, 0.845 and 0.819 respectively. As a result it can be concluded that an average number respondents are agreed while others average respondents are neutral on the issues of performance appraisal taking place in the company. Therefore, performance appraisal which has an average mean value of **3.37**. This shows the performance appraisal standards somehow appropriate, communicated, measured and they give appropriate feedbacks, generally AMWSC is good in performance appraisal as compared to other factors in the study.

Table 13: The contribution of job security on employees’ turnover intention

	SD	D	N	A	SA	Mean	Std. Deviation
The equipment I used in my job is risk free	13	55	29	24	9	2.70	1.097
	10%	42.3%	22.3%	18.5%	6.9%		
I feel freedom from fear of losing a job for the long run	7	56	39	24	4	2.71	0.935
	5.4%	43.1%	30%	18.5%	3.1%		
AMWSC pays insurance to my health and emergency	9	40	44	20	17	2.97	1.127
	6.9%	30.8%	33.8%	15.4%	13.1%		
AMWSC’s policies and strategies protect employees against labor market risks both in mental and physical disability	3	46	32	43	6	3.02	0.984
	2.3%	35.4%	24.6%	33.1%	4.6%		
Average Total						2.85	1.036

Source: Own survey, 2020

Regarding to the issues of job security, the majority of the respondents disagreed to “The equipment I used in my job is risk free, I feel freedom from fear of losing a job for the long run, AMWSC pays insurance to my health and emergency, AMWSC’s policies and strategies protect employees against labor market risks both in mental and physical disability” with mean value of 2.70, 2.71, 2.97, 3.02 and Std. deviation 1.097, 0.935, 1.127, 0.984 respectively. Therefore, it can be concluded that job security with average mean value of **2.85** in the company is questionable next to salary paid.

Table 14: The contribution of career development on employees' turnover intention

	SD	D	N	A	SA	Mean	Std. Deviation
There is really a chance for Internal career development on my job	5	48	32	32	13	3.00	1.085
	3.8%	36.9%	24.6%	24.6%	10%		
Developmental training offered is linked to employee's career needs	4	45	39	35	7	2.97	0.980
	3.1%	34.6%	30%	26.9%	5.4%		
There is unbiased and objective promotion criteria in AMWSC	4	33	47	30	16	3.16	1.040
	3.1%	25.4%	36.2%	23.1%	12.3%		
My immediate supervisor support me to achieve greater personnel and organizational efficiency	2	38	30	50	10	3.22	1.004
	1.5%	29.2%	23.1%	38.5%	7.7%		
Average Total						3.08	1.027

Source: Own survey, (2020)

For the statements that seeks respondents level of agreement about to what extent “there is really a chance for internal career development, developmental training offered is linked to each employee's career needs, there is unbiased and objective promotion criteria, immediate supervisor support to achieve greater personnel and organizational efficiency” an average respondents are agreed, near to average are disagreed while others are neutral with career development issues of the company with overall mean value of each statements 3.00, 2.97, 3.16, 3.22 and Std. deviation 1.085, 0.980, 1.040, 1.004 respectively. Thus one can concluded that somehow there is a problem in career development issues of the company with an average mean value **3.08**.

4.3.2. Factors highly contributing to employees' turnover intention

All factors don't contribute equally to the turnover intention of employees and even different across individuals. The following table shows the contribution of each factor (salary paid, working environment, employees' participation, performance appraisal, job security and career development) to the employees' turnover intention of AMWSC by comparing their corresponding average means.

Table 15: Turnover factor ranks to build intention to leave AMWSC

Factors of employees' turnover intention	N	Mean	Std. Deviation	Rank
Salary paid	130	2.53	1.048	1st
Working environment	130	3.03	0.957	3rd
Employees' participation	130	3.12	1.145	5th
Performance appraisal	130	3.37	0.813	6th
Job security	130	2.85	1.036	2nd
Career development	130	3.08	1.027	4th

Source: Own survey, 2020

As indicated in the above table 14, the salary paid is highly contributes to build an intention to leave the company with an average mean value of 2.53 (average Std. Deviation =1.048), the second factor contributes is job security which is 2.85 (average Std. Deviation =1.036), working condition, career development, employees participation, and performance appraisal holds 3.03 (average Std. Deviation = 0.957), 3.08 (average Std. Deviation = 1.027), 3.12 (average Std. Deviation = 1.145) and 3.37 (average Std. Deviation = 0.813) respectively.

As of the descriptive statistics result of the factors that contributes to employees' turnover intention, the salary paid took the first rank and its contribution towards turnover intention is very high. Job security took the second rank in comparison of the factors in terms their contribution to turnover intention. Working condition, career development, employees' participation and performance appraisal are the third, fourth, fifth and sixth rank factors in terms of their contribution to employees' turnover intention at ambo mineral water share company. This indicates that the company has great problem in payment of salary, job security, working condition and career development that is why employees build intention to leave the organization.

4.3.3. Correlation Analysis

According to Marczyk, DeMatteo and Festinger (2005), correlations are the most basic and useful measure of association between two or more variables expressed in a single number called a correlation coefficient. Correlations provide information about the direction of the relationship (positive or negative) and the intensity of the relationship (-1.0 to +1.0). Thus in this study Pearson correlation test was conducted to check the magnitude of correlation between the dependent variable (**Employees' turnover intention**) with independent variables (**factors contributes to turnover intention**) salary paid, working environment, employees' participation, performance appraisal, job security and career development as well as the independent variables within themselves.

Table 16: Inter Component Correlation between variables

		Salary paid	Working condition	Employee participation	Performance appraisal	Job security	Career dev't	Employees' Turnover Intention
Salary paid	Pearson Correlation	1						
	Sig. (2-tailed)							
Working condition	Pearson Correlation	.449*	1					
	Sig.(2-tailed)	.000						
Employees' participation	Pearson Correlation	.302	.288	1				
	Sig.(2-tailed)	.002	.002					
Performance appraisal	Pearson Correlation	.340	.352	.465	1			
	Sig.(2-tailed)	.002	.002	.001				
Job security	Pearson Correlation	.513*	.866**	.103	-.022	1		
	Sig.(2-tailed)	.000	.000	.244	.801			
Career development	Pearson Correlation	.215	.243	.102	-.093	.033	1	
	Sig. (2-tailed)	.002	.004	.248	.292	.707		
Employees'	Pearson	-.517	-.261	.165	.141	-.359	-.206	1

Turnover	Correlation							
Intention	Sig. (2tailed)	.000	.002	.009	.009	.000	.006	
	N	130	130	130	130	130	130	130
<p>*. Correlation is significant at the 0.05 level (2-tailed).</p> <p>** . Correlation is significant at the 0.01 level (2-tailed).</p>								

Source: Own survey, (2020)

Table 15 indicates the correlation between independent variables and turnover intention as well as the turnover factors within themselves. A significant of both positive and negative relationship was found within turnover factors and turnover intention and six factors. Salary paid ($r = -0.517$ at sig. $=.000$), working condition ($r = -0.261$ at sig. $=.002$), employees' participation ($r = .165$ at sig. $=.009$), performance appraisal ($r = .141$ at sig. $=.009$), job security ($r = -0.359$ at sig. $=.000$), and career development ($r = -0.206$ at sig. $=.006$). According to this result of correlation, the relationship between the factors and turnover intention is that the salary paid is negatively correlated thus it has an inverse effect on turnover intention i.e. when the salary paid increases, the employees' turnover intention decreases so does working condition, job security and career development with their corresponding magnitude whereas performance appraisal is positively correlated with ($r = 0.141$), while employees' participation ($r = .165$) thus all variables have statistical significant relationship with employees' turnover intention. The relationship among the variables is that; the salary paid to the working condition had a positive Pearson Correlation ($r = 0.449$), job security to salary paid was ($r = 0.513$), job security to working condition was ($r = 0.866$), performance appraisal to employees' participation was ($r = 0.465$), performance appraisal to salary paid was ($r = 0.340$), performance appraisal to working environment was ($r = 0.352$), working environment to employees' participation was ($r = 0.288$), salary paid to employees' participation was ($r = 0.302$), and some other variables are negatively correlated, while other variables didn't have any statistical significant relationship with each other. In general: almost majority of factors are found significantly correlated with turnover intention and within themselves.

4.3.4. Regression Analysis

In order to find the linear relationship between a dependent variable and more than one independent variable, linear multiple regression is applied. Accordingly, this particular study tried to use linear multiple regressions to analyze the contribution of the factors (Salary paid, Working condition, Employees’ participation, Performance appraisal, Job security, and Career development) on the employees’ turnover intention hence factors are treated as independent variables and employees’ turnover intention as dependent variables. Before testing multiple linear regressions, the researcher conducted tests for normality of the distribution.

Normality of the Distribution

The assumption of normality shows the distribution of the errors for any given combination of values on the predictor variables (Matt N, Carlos A, and Deson K, 2013). One way of measuring the normality of distribution is through checking the level of Skewness and Kurtosis. Usually the value of Skewness and Kurtosis for normal distribution is varied from 1 to -1.

Table 17: Normality of the data

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Employees' Turnover Intention	130	-.635	.212	-.439	.422
Salary paid	130	.502	.212	-.592	.422
Working condition	130	.383	.212	-.730	.422
Employees' participation	130	-.001	.212	-.972	.422
Performance appraisal	130	-.222	.212	-.186	.422
Job security	130	.250	.212	-.723	.422
Career development	130	-.067	.212	-.995	.422
Valid N (list-wise)	130				

Source: Own survey, (2020)

As it is showed in above table 17, the results of skewness in employees’ turnover intention, against the factors that contributes to employees’ turnover intention (Salary paid, Working condition, Employees’ participation, Performance appraisal, Job security, and Career

development) were within the acceptable range of normality (-1 to +1). Hence the normality assumptions are satisfied for the obtained data.

Regression is a method of predicting a value on some dependent variable given the values of one or more independent variables. In this study we have six independent variables, multiple linear regression models were used as a measure for their relationship. Therefore, the prediction equation can be: $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6$; where Y=dependent variable, a=constant, b=beta coefficient of each independent variable and X=independent variables.

Y= Employees' Turnover Intention

a= Constant

b= Beta coefficient

X₁=salary paid

X₄=performance appraisal

X₂=working condition

X₅=job security

X₃=employees' participation

X₆=career development

Table 18: Multiple-regression of independent variables on Employees' turnover intention

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Adj. R ²
	B	Std. Error	Beta			
(Constant)	2.522	.947		2.663	.009	.534
Salary paid	-.328	.254	-.230	-1.513	.001	
Working condition	-.272	.180	-.137	-1.111	.002	
Employees' participation	-.033	.143	-.029	-.094	.040	
Performance appraisal	-.013	.137	-.008	-.093	.048	
Job security	-.319	.287	-.198	-1.292	.001	
Career development	-.072	.130	-.050	-.552	.037	
a. Dependent Variable: Employees' Turnover Intention						

Source: Own survey, (2020)

Thus: for the case; employees' turnover intention = 2.522 – (0.328*salary paid) – (0.272*working condition) – (0.033*Employees' participation) – (0.013*Performance appraisal) – (0.319*Job security) – (0.072*Career development).

From this result, it can be concluded that salary paid, job security, and working condition, are the major predictors of employees' turnover intention especially salary paid has more negative contribution. This means if there is a unit increase in salary paid, it would lead to decrease in the employee turnover intention in AMWSC by a factors of 0.328 and vice versa. A unit increase in job security would lead to decrease in the employee turnover intention in AMWSC by a factor of 0.319 and vice versa. A unit increase in working condition would lead to decrease in the employee turnover intention in AMWSC by a factor of 0.272 and vice versa. The other variables career development, employees' participation and performance appraisal with beta coefficients (-.072, -.033 and -.013) respectively should be taken care since they are negative predictors.

The above regression table 17 measures the amount of total variation in dependent variable due to the independent variable. Thus the value of adjusted R^2 is 0.534. This indicates that there is 53.4% of variation in dependent variable (Employees' turnover intention) due to a one unit change in the independent variables at 95% confidence interval. Thus it can be concluded that 53.4% changes in employees' turnover intention in AMWSC could be accounted by salary paid, job security, working environment, carrier development, employees' participation and performance appraisal and the strength of relationship between those factors and employees' turnover intention as dependent variable is significant since their corresponding significance is less than 5%.

4.4. Hypotheses Testing

Based on the above analysis results the alternative hypotheses were tested whether the hypothesis is true (accepted) or false (rejected), the study uses the multiple linear regression model. Thus all the alternative hypotheses were checked based on the t-test and p-value (Sig).

Hypothesis #1: For the variable "salary paid" **HA₁:** salary is significantly contributes on employee's turnover intention at AMWSC the t-test =-1.513, the P-value (Sig.) =0.001, which is smaller than 0.05, hence salary is significantly contributes on employee's turnover intention. Since the indication of the test is negative, then there is a significant negative contribution of the variable "salary paid" on employees' turnover intention thus alternative hypotheses #₁ is

accepted. This result is consistent with the results of (Dubey et al., 2016) who found that there is a significant negative effect of the variable "payment" on Turnover.

Hypothesis #2: the variable “working environment” **HA₂:** Working environment is significantly contributes on employee’s turnover intention, t-test =-1.111 at the P-value (Sig.) =.002 which is smaller than 0.05. therefore working environment is significantly contributes on employee’s turnover intention. Since the t-test is negative, then there is a significant negative contribution of on employees’ turnover intention thus alternative hypotheses #₂ also accepted.

Hypothesis #3: the variable “employees’ participation” **HA₃:** Employees’ participation is significantly contributes on employee’s turnover intention, t-test =-.094 at (Sig.) =.040 which is smaller than 0.05. Thus employees’ participation is significantly contributes on employee’s turnover intention and it has negative contribution on turnover intention because the t-test is negative and hypotheses #₃ is accepted.

Hypothesis #4: the variable “performance appraisal” t-test =-.093 at P-value (Sig.) =.048 which is smaller than 0.05. Thus performance appraisal is significantly contributes on employee’s turnover intention and it has negative contribution on turnover intention because the t-test is negative and hypotheses #₄ is accepted.

Hypothesis #5: the variable “job security” has t-test =-1.292, P-value (Sig.) =.001 which is less than 0.05. Thus job security is significantly contributes on turnover intention and it has negative contribution on turnover intention because the t-test is negative and hypotheses #₅ is accepted.

Hypothesis #6: the variable “career development” has t-test =-0.552, P-value (Sig.) =.037 which is less than 0.05. Therefore career development is significantly contributes on employee’s turnover intention. Since the t-test is negative, then there is a significant negative contribution of on employees’ turnover intention thus alternative hypotheses #₆ also accepted.

According to the test of hypotheses, all alternative hypotheses were accepted because their p-value (Sig) is less than 0.05 and their contribution towards employees’ turnover intention at AMWSC is negative because they all have negative t-test.

4.5. Major Strategies Adopted to Retain Employees at AMWSC

Table 19: Strategies adopted to retain employees

Strategies	Frequency	%	Cumulative (%)
Increase compensation and rewards	39	30.00	30.00
Setting appropriate performance appraisal schedules	9	6.90	36.90
Applying improved working environment	22	16.90	53.80
Provide training and development opportunities	17	13.10	66.90
Job security affirmation in the company	30	23.10	90.00
Allow employees to participate in decision making	13	10.00	100.00
Total	130	100.00	

Source: Own survey, 2020

The third objective of this study was designed to find out the best strategies to be adopted by AMWSC in order to attract and retain employees. The study presented six strategies to the participants so as to rank the best solution to be taken. These strategies were increase compensation and rewards, setting appropriate performance appraisal schedules, applying improved working environment, provide training and development opportunities, job security affirmation, and allow employees to participate in decision making. Accordingly, 39(30%) respondents argued that employees can be retained if the management increase compensation and rewards, 30(23.1%) respondents recommended that the management should improve job security, 22(16.9%) commented to apply improved working environment, 17(13.1%) employees retained if the management provide training and development opportunities, 13(10%) argued the management should allow employees to participate in decision making and 9(6.9%) respondent argued the management should set appropriate performance appraisal schedules. The finding shows that the main strategies suggested by the participants to attract and retain employees were increase compensation and rewards, job security and applying improved working environment.

4.6. Interview Results

The managers pointed out that turnover intention is a natural occurrence and that it can also be positive as the company can separate itself from poor performer and make way for capable employees continue in the company. However, the management of AMWSC is happy if qualified and trained employees are retained.

For the interview question about the factors of employees' turnover intention to leave the company, the management first reminded that there were higher number of employees' turnover before; in addition there might be an intention in the company and replied as employees are left AMWSC due to various reasons but majority of them are left due to salary and benefits since other beverage industries offer higher salary and benefits which is beyond the scale of AMWSC. The management also believes the salary paid to employees was not attractive. This is because the company's expense become higher due to different rental expenses thus the company can't pay annual increment and bonus properly as per other beverage industries.

The working environment in AMWSC is challenging due to complex workloads. The management also told "there were no as such initiative internal career development because of unfair performance appraisal of immediate supervisors and shortage of developmental training internally". They also mentioned that turnover is a nonstop phenomenon in a dynamic environment, employees are not stay lifelong.

As of the management response, they believes that the employees are participating to the issues concerning them in two major ways one directly the employees themselves in the other way through their representatives i.e. workers association. They also replied that, company is also open to accept any ideas, comments and suggestion till it is good to the company and its employees. The management replied that AMWSC has appropriate performance appraisal standard, schedules and measurement approaches which were conducted semi annually, monthly even in daily matter. This helps employees to improve their performance to company's productivity. They also replied that the company tried its maximum effort to secure its employees but they didn't believe that they are fully secured in all aspects.

As of the management replied, to minimize the intention and frequencies of the turnover unreserved efforts have been done from the top management and line manager as per their levels. However, as a management, AMWSC cultivates and upgraded a substitute through different training and developments of another employee who is equivalent or better capacity. The management also planned to adopt different strategies to minimize the employees' turnover intention in the company and these are: internal career development and promotion, improved work environment, allow employees to participate in any concerning issues, providing training to develop their skills and planned to develop living standard of their employees through compensation and reward packages.

CHAPTER FIVE: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter consists of the major findings drawn from the analysis, interpretation and discussion, the conclusion drawn from the findings of the study and possible recommendations that needs to be suggested for the company of AMWSC to overcome the major factors contributing to employee's turnover intention by designing appropriate strategies.

5.1. Summary of the Findings

According to the above analysis and interpretation in identifying the factors that contribute to employees' turnover intention in AMWSC, the following findings were drawn.

- ④ The salary is not based on considering the current cost living and employees of AMWSC didn't felt that they are being paid a fair amount for the work they do and thus employees are dissatisfied on salary paid. Its average mean value is 2.53 which are the lowest among other fall under translation rank of disagreed.
- ④ The policies and strategies were not protecting employees against labor market risks and employees didn't feel freedom from fear of losing a job for the long run. Thus job security is also major problem with average mean value 2.85 next to salary paid.
- ④ Working environment and career development are the other problems the company's employees disagreed with an average mean 3.03 and 3.08 respectively. On the other hand employees' participation with an average mean 3.12 and performance appraisal of average mean 3.37 are not as such the problem the company.
- ④ Salary paid shows the highest negative correlation ($r = -.517^{**}$, $p < 0.05$) with employees' turnover intention and job security the second highest negative correlation ($r = -.359^{**}$, $P < 0.05$) with employees' turnover intention followed by working environment and career development ($r = -.261^{**}$, $-.206^{**}$, $p < 0.05$) respectively whereas employees' participation and performance appraisal has lowest positive correlation of ($r = .165^{**}$, $r = .141^{**}$, $p < 0.05$) respectively with employees' turnover intention. Almost majority of factors are found significantly correlated within themselves.

- Ⓢ Employees' turnover intention is predicted as: $2.522 - (0.328 * \text{salary paid}) - (0.272 * \text{working condition}) - (0.033 * \text{Employees' participation}) - (0.013 * \text{Performance appraisal}) - (0.319 * \text{Job security}) - (0.072 * \text{Career development})$ and the strength of relationship between independent variables (predictors) and employees' turnover intention as dependent variable is significant.
- Ⓢ Regarding to the hypotheses, those all alternative hypotheses were accepted because their p-value (Sig) is less than 5% and their contribution towards employees' turnover intention at AMWSC is negative because they all have negative t-test even though the strength of contribution is different among those different variables.
- Ⓢ As of the interview results, the majority of employees plan to leave due to salary and benefits packages, working environment and internal career development. The company also tried its maximum effort to secure its employees but they didn't believe that they are fully secured in all aspects whereas employees are participating to the issues concerning them in two major ways one directly the employees themselves in the other way through their representatives.
- Ⓢ The strategies needs to be adopted in the company are increase compensation and rewards, job security affirmation, applying improved working environment, provide training and development opportunities, allow employees to participate in decision making and setting appropriate performance appraisal schedules.

5.2. Conclusions

The main objective of this study was to investigate the factors that contribute to employees' turnover intention at AMWSC. For this the three specific objectives of the study "identify the major factors that contributes for employee's turnover intention, examine which turnover intention factor exert more influence and determine the main sort of strategies the company employs to minimize intention" were designed. To this end, the study attempts six major factors to identify the key factors that contribute employees' turnover intention.

- ⊕ From the results that were obtained it can be said that the major factors that contribute to employees' turnover intention were salary paid, job security, working environment and

career development whereas performance appraisal and employees participation had an average contribution even though those factors have their own contribution to it.

- ✿ The result of correlation also proves that salary, job security, working condition and career development are moderately correlated and those factors have more negative effect to the company unless it seriously handle by the company and its impact is also supported by the regression coefficient of -0.328, - 0.319, -0.272 and -0.072 respectively.
- ✿ All alternative hypotheses were accepted and they all have negative t-test at acceptable significant level thus their contribution towards employees' turnover intention at AMWSC is negative.
- ✿ The result of interview also shows that the main strategies suggested by the participants to attract and retain employees were increase compensation and rewards, job security and applying improved working environment.
- ✿ As of the finding of this study, employees can be retained when the management increase compensation and rewards, the management should improve job security, apply improved working environment, employees also retained if the management provide training and development opportunities, allowing employees to participate in decision making and set appropriate performance appraisal schedules to them.

5.3. Recommendations

According to the finding; the study has recommended some of the strategies which might help the company effectively build positive attitudes towards employees' intention.

- ✿ In order to maintain experienced and capable employees in the company: AMWSC advised to set appropriate compensation and benefit packages according to the work they do, current cost of living and comparable market offer of other similar firms especially link the pay to performance is advisable be given due emphasis by the management.
- ✿ Employees those who are happy, healthy and secured will be less likely plan to resign, thus it is better to establish strategies to protect employees against labor market risks which build loyalty, freedom and security in between co-workers, management and the company.

- ✦ Since today's work greatly depends on the relationship between employees and the environment; hence they consider part of the working environment that affects turnover intention and it is better that the company create conducive work environment and smooth relationship within co-workers and employees with managers to enhance attractiveness for better choice of its employees.
- ✦ The company is recommended to give due emphasis for internal career growth and development of its employees through training and education, challenging assignments and more responsibility. This helps to build employee loyalty, trust, motivate and retain powerful employees in the organization thus reducing employee turnover intention.
- ✦ Employees those who participate in decision making process believe and suggest ideas which are appropriate to the employees and company too. Thus company also advised to involve its employees in decision making concerning them, communicate concerned issues and help employees to have strong workers association.
- ✦ It is also better to establish better performance appraisal standards, schedules and conduct unbiased performance appraisal which help them for advancement, corrective action, upgrading in their career and provide appropriate feedbacks.

5.4. Recommendation for Further Studies

The study has been determined the factors contributing employee's turnover intention at AMWSC with a focus of five departments. Thus the study further recommends that an in-depth study should be done on the effects of those factors on employee turnover and organization's performance of all the departments and other similar firms.

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APPENDIX



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

QUESTIONNAIRE FILLED BY EMPLOYEES OF AMWSC

The purpose of this questionnaire is to collect primary data for the research in titled “**Factors that Contribute to Employee’s Turnover Intention at AMWSC**”. Your genuine, complete, and timely response is crucial for the success of the study. The researcher assures you that the data collected using this questionnaire is purely for an academic purpose and remains to be confidential.

NB

For any difficulty call by: +251906900093

- ☛ No need to write your name
- ☛ Kindly give more attention and return the completed questionnaire as much as possible.

Part I: Respondent’s Profile

Instruction: Please kindly put tick mark [✓] for an alternative you think is right.

1. Gender: Male Female
2. Age: Below 26 26-35 36-45 46-55 Above 55
3. Highest academic Qualification:
 Certificate Diploma Degree Master’s and above
4. The department you are working for:
 Sales & marketing department HR department IT department
 Finance & procurement department Logistics & distribution department
5. Years you have been working in AMWSC:
 Less than 3 years 3-6 years 7-10 years more than 10 years
6. Number of organization/s worked before you joined AMWSC:
 None 1 2 3 more than 3 organizations

Part II: Opinion Survey

Rate each factor statements in the tables below based on the **extent of contribution on employees' turnover intention in AMWSC**. Where; **1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree**.

1. Salary paid

No.	Statements	1	2	3	4	5
1	I feel I am being paid a fair amount for the work I do.					
2	The salary paid is comparable with what the market offers.					
3	The salary paid is commensurate with the amount other similar firms pay for					
4	The salary is based on considering the current living standard					

2. Working environment

No.	Statements	1	2	3	4	5
1	AMWSC has well defined goals, objectives and job design					
2	AMWSC has clear work schedules and reporting times					
3	AMWSC has shared organizational culture and values					
4	There is supportive nature of supervision, adequate working equipment, respect, responsibility and healthy social environment in AMWSC					

3. Employees' participation

No.	Statements	1	2	3	4	5
1	AMWSC allow employees to be involved in decision-making to contribute ideas and suggestions concerning them					
2	Employees are properly communicated concerned issues in AMWSC					
3	The contributed ideas properly recognized by management					
4	Workers association in AMWSC has the power to represent and reflect the issues of its members freely without influence of the management					

4. Performance appraisal

No.	Statements	1	2	3	4	5
1	AMWSC has an effective and transparent performance appraisal standards for each duties					
2	AMWSC communicates the performance appraisal standards					
3	There is unbiased actual performance measurement and comparison with the standard in AMWSC					
4	AMWSC gives appropriate feedbacks and take corrective actions which helps for performance improvement					

5. Job security

No.	Statements	1	2	3	4	5
1	The equipment I used in my job is risk free					
2	I feel freedom from fear of losing a job for the long run					
3	AMWSC pays insurance to my health and emergency					
4	AMWSC's policies and strategies protect employees against labor market risks both in mental and physical disability					

6. Career development

No.	Statements	1	2	3	4	5
1	There is really a chance for Internal career development on my job in AMWSC					
2	Developmental training offered is linked to each employee's career needs					
3	There is unbiased and objective promotion criteria in AMWSC					
4	My immediate supervisor support me to achieve greater personnel and organizational efficiency					

7. From the above listed factors, which one is highly contributing to have an intention to leave your organization?

- | | |
|---|--|
| <input type="checkbox"/> Salary | <input type="checkbox"/> Performance appraisal |
| <input type="checkbox"/> Working condition | <input type="checkbox"/> Job security |
| <input type="checkbox"/> Employees' participation | <input type="checkbox"/> Career development |

8. In your view, what sort of strategies AMWSC employs to reduce the current employee turnover intention?

- Increase compensation and rewards to all workers
- Setting appropriate performance appraisal schedules
- Applying improved working environment
- Provide training and development opportunities
- Job security affirmation in the company
- Allow employees to participate in decision making

Part III: Interview Questions for the department and general managers

1. In your view; what are the major factors contributing for employee's turnover intention in AMWSC?
2. Do you think that the salary paid is comparable with what the market offers and employees are satisfied with it?
3. To what extent the working condition is attractive to employees of the company?
4. To what extent the employees are participating in the decision making process?
5. Do you think that there is appropriate performance appraisal in AMWSC?
6. Do you think that employees are secured in all aspects in AMWSC?
7. Do you have any career development and internal promotion programs in AMWSC?
8. What strategies do you have to prevent the current employee's turnover intentions in your organization?