



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

**ASSESSMENT OF PROFESSIONAL EMPLOYEES' TURNOVER
INTENTIONS: THE CASE OF LARGE TAX PAYER'S BRANCH
OFFICE OF THE MINISTRY OF REVENUES**

BY

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ID.NO.SGS 0022/2010A

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ADDIS ABABA, ETHIOPIA



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**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE
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FULFILLMENT OF THE REQUIREMENT FOR MASTER OF
BUSINESS ADMINISTRATION IN GENERAL MANAGEMENT.**

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DECLARATION

I hereby, declare that this thesis entitled “**Assessment of professional employee’s turnover intentions: the case of large taxpayers branch office of the Ministry of Revenues**” is my original work, prepared under the supervision of Assistant Professor Zemenu Aynadis. All sources of materials for the thesis have been properly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of receiving any degree.

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ADVISOR THESIS SUBMISSION APPROVAL

This is to certify that the thesis entitled “**Assessment of professional employee’s turnover intentions: the case of large taxpayers branch office of the Ministry of Revenues**” submitted in partial fulfillment of the requirements for Master of Business Administration in General Management has been carried out by Hiwot Girma Habte under my supervision. Therefore, I recommend that the student has fulfilled the requirements and hence hereby can submit the thesis to the school of Graduate Studies for defense.

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February 2020

ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE
STUDIES, FACULTY OF BUSINESS

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LIST OF MAIN ABBREVIATIONS

EC – Ethiopian calendar

ERCA – Ethiopian revenue and customs Authority (The former name of MOR)

ET – Employee turnover

HR – Human resource

LTO – Large taxpayers branch office

MBA - Master's in business administration

MOR – Ministry of revenues

PA – Performance appraisal

Abstract

Turnover has great effect on the effectiveness and efficiency of an organization. The Ministry of Revenues of Ethiopia has a goal to decrease loan of the country, to circulate the income of the people and in addition to develop the public necessity. In order to meet this goal, the employee turnover should be minimized. The study assessed employee turnover causes in large taxpayer's branch office of Minister of Revenues. The study adopts a descriptive research design to identify professional employee turnover causes. Both quantitative and qualitative methods were used. And a questionnaire and interviews were made. The respondents were drawn from the existing and ex-employees of the branch. The researcher uses census sampling technique. Documents from the human resource department were used and interview was made. Descriptive statistical and qualitative data analysis methods were used for data analysis and interpretation. From the respondents 87.5 % of said that they are not satisfied with the overall working environment. And 84.4 % of respondents said that they don't get enough training on their current working position. Among the respondents 78.1% of answered that they salary scale and the workload is not comparable. And 65.6 % of the respondents feel that the management failed to respond for their work-related problems. The study reveals that the working environment of the branch office was not attractive, the branch Office's efforts to train and educate the auditors was not enough, and the staff felt that they had no job security. Even though there is turnover reduction strategy it was not implemented. So, it's recommended that the management should work to create attractive working environment, make the staff to feel secured and should apply competitive compensation. The management should implement a strategy to reduce staff retention.

Key words: Professional, Auditors, Employees, Turnover, Large Taxpayers Branch Office

CHAPTER ONE

1. INTRODUCTION

1.1 Introduction

This chapter covers background information, statement of the problem, research questions, and objectives of the study, limitation and delimitation of the study, significance and scope of the study and organization of the study.

1.2 Background of the Study

The revenue ministers of a country play a key role in supporting the growth of a country. In this case the Minister of Revenues (MOR) has a goal to decrease loan of the country, to circulate the income of the people and in addition to develop the public necessity. The ministry is, though, challenged by the incidences of employee turnover.

Turnover is becoming a critical human resources (HR) issue in all sectors of the economy because turnover affects productivity, product and service quality and profitability. In addition to this, the cost of replacing workers is high, finding skilled employees can be difficult and investments in training are less secure. Therefore, currently, in a competitive environment, 'turnover is not just a human resources issue because it has its own impacts on the company positively and negatively (David and Geoffrey, 2009).

Voluntary employee turnover and retention have been and will remain significant management issues for different kinds of organizations. It is therefore normal that the topics of voluntary employee turnover and associated factors, and their different aspects have been researched by scholars widely throughout the years (Steel and Lounsbury, 2009).

The level of performance or the proficiency of work done by the staff will only be attained if the employees are satisfied by the internal environment of an organization. Employee turnover in organization is one of the core issues that broadly affect the overall performance of an organization.

Employee turnover has the probability to reduce the quality of the ministry services. This is generally the case when labor force is reduced and too much work is given for the remaining employees and in trying to do more work than they used to do such will bring poor job performance. Besides, these effects of turnover are reflected at the time when

‘employee leaves a company because the employee takes with his/her knowledge and skill that cannot be measured money-wise and that cannot be easily replaced’ (Achoui and Mansour, 2007).

Even though employee turnover is familiar and greatly researched social phenomenon, there is no one model that is perfectly suitable to resolve every single turnover case, since the turnover studies are high in volume and different in content, and the integration between the studies is limited (Muchinsky and Morrow, 1980).

Turnover can be advantageous to LTO in that it provides an ‘opportunity to replace less productive employees with new energetic people who are ready to work, inject new blood in the organization and motivate the employee who takes the position of the leaving staff’ (Michael and Stephen 2002). If the employees who leave the branch were poor in performance the branch gets an opportunity to hire outstanding employees in the vacant position which is advantageous for achieving its goal.

Although employee turnover is expected in any organization, if the turnover rate is high, then managers should look at themselves and examine why the turnover rate is high. Employee turnover rate may indicate the weakness of the management in retaining and motivating the staff. Most importantly, high turnover rate results in decreased quality and quantity of outputs delivered by the branch office under MoR. Therefore, the management ‘should look into the level of employee turnover and its causes and address the problem accordingly’ (Achoui and Mansour, 2007).

Hence, there is a need for further research that focuses on factors influencing voluntary employee turnover and retention approaches that are applicably associated with every single features of governmental organizations. Without these valuable assets - employees and their input, the branch office and other organizations would hardly exist. Hence, managers need more information as to what holds their employees and what leads them to leave.

The purpose of the study was to investigate intentions of voluntary employee turnover especially in large taxpayer’s branch office of Ministry of Revenues, as well turnover in the branch.

1.3 Background of the Ministry

Minister of Revenues was established in 2011 E.C through the split of Ethiopian Revenue and Customs Authority. And this split of the two governmental organizations shows the

devotion of the government to cover the budget of the country by the internal income from tax. The large taxpayers branch office is one of the branches under Minister of Revenues in which largest amount of yearly income from tax is collected. Taxpayers here are investors with high transaction from the country. Currently the branch office has 467 employees in different departments. Although the employee turnover reaches all departments, the turnover in the audit department is recorded more and the main achievement of MoR is based on its auditors since the revenue from the tax is collected from the audit performed.

1.4 Statement of the Problem

Since large taxpayer's branch office takes the large portion in collecting the revenue, the human resource should be utilized seriously and effectively. The branch office process different customer transactions this includes clearance giving, risk-based and compliance audit. In the process of giving the above services, the employees should be devoted and having the experience needed in order to give adequate service for the customers. In addition to these, most of the time the auditors who were working in LTO leave the branch to get employed in the taxpayers' companies and they start working against the branches tax audit process strategies. Since they know the branch's way of investigating illegal transactions in detail, they make the tax audit work process complicated for the branch and difficult to control the overall system of the business for MoR.

Thus, LTO faces problems related to employee turnover that will affect the performance of the branch office. If the management tries to address the questions of the employees regarding work satisfaction and salary related issues the employees may work for longer years relatively. So, this paper found out the trend of employee turnover, exact causes of employee turnover in the branch office, whether the branch has strategies to minimize the employee turnover and reached to the appropriate conclusion.

1.5 Research Questions

The research answered the following research questions

- What is the current trend of employee turnover in Large Taxpayers' Branch Office?
- Why employees leave Large Taxpayers' Branch Office of Ministry of Revenue?
- Did Large Taxpayers' Branch Office of Ministry of Revenue has strategies in order to minimize employee turnover?

1.6 Objectives of the Study

1.6.1 General Objective

The general objective of the study was to assess the current level of employee turnover and intentions in large taxpayer's branch office of Minister of Revenues.

1.6.2 Specific Objectives

The specific objectives of the study are;

- To measure the current level of employee turnover in Large Taxpayers' Branch Office
- To assess why employees, leave Large Taxpayers' Branch Office
- To find out if the branch office has strategies designed to minimize the employee turnover

1.7 Significance of the study

This research has a great benefit in developing the knowledge and skill of the researcher while acquiring the information needed for this paper. It can be used as a base for future researches. Moreover, it helps to identify the actual reason of turnover, helps to find out the possible solutions of reducing the turnover and helps the branch office to identify its problem and found out the possible solutions.

1.8 Scope of the Study

1.8.1 Geographical scope

The study focused on the assessment of current employee turnover and causes in the MOR large taxpayer's branch office. Because of time and budget constraint, this research was delimited to LTO and the sample was restricted to the tax audit department at LTO.

1.8.2 Conceptual Scope

Ethiopian Ministry of Revenue has many issues to be investigated. As far as the researcher's knowledge little is conducted about employee turnover in the case of the Ministry; and for that matter the researcher tend to conduct research in the area of current employees' turnover and causes for the turnover.

1.8.3 Methodological scope

The primary data was collected from current hires and those who leave the organization in the mentioned years. The secondary data was collected through books, brochures and MOR website.

1.8.4 Time scope

The paper is delimited by analysis and interpretation of data by taking questionnaire of selected current Employees and ex-employees for the last two years.

1.9 Limitations of the study

One of the limitations in this research was to reach the former employees. Their telephone address was collected from their friends in the branch office. Therefore, it was difficult to reach those employees. The other limitation in this study was the little empirical studies that have been done in Ethiopian context on this issue particularly in LTO. The study was limited to focus on the causes and consequences of employee voluntary turnover within 2010 to 2011 in E.C.

1.10 Organization of the Research Paper

The research paper consists of five Chapters. Chapter one presents the introductory part of the research paper such as background of the study, statement of the problem, basic research questions, and objective of the study, significance of the study, limitation of the study and scope of the study. Chapter two comprise the relevant literatures in the field are reviewed as theoretical and empirical evidences from past studies. Chapter three provides the research design and methodology used in conducting the research. Chapter four deals the outcome of data collected will be summarized. Chapter five presented the findings, conclusions and recommendations.

1.11 Definition of terms

Professional employees: -refers to employees who possess diploma and above in the area of business and some position like this, holding at least clerical position.

Employee: -refers to a person working in Large Tax Payers Office rendering professional service.

Turn over: - The rate of employees who leave the workforce and are replaced.

Tax: - Is the imposition of financial charge or other levy upon a taxpayer by a state or other functional equivalent of the state.

Auditor: - a financial professional who review business records for accuracy and honesty.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher reviewed, a literature and related views of various authors and previous research and the key concept under study in the research thesis, namely professional employee turnover causes have been assessed. Firstly, presents a definition of employee turnover for the purpose of addressing how this construct validates the thesis. Secondly, the literature review critically discusses a wide range of the causes/sources of employee turnover that could contribute to employee turnover through nine factors. Those factors are working environment, job Security, job satisfaction and related factor, lack of training, ineffective leadership, relationships of manager and supervisors with their subordinates, Employee benefits and retention, salary and benefit package and intention to leave or stay. Thirdly, review the literatures on the causes of employee turnover. Fourthly, to understand the value of the employees, reasons of voluntarily leave the organization and retain literatures are reviewed. Definition of key concept commonly used in the study, theoretical review, general discussion of the topic under the study was done for the purpose of making overall understanding of the topic under the study, empirical review was carried out to find out what other scholars have done in the same area of the study and identify the existing gaps and suggested areas for further study of which this research could intervene. In the other parts research gap and conceptual framework of the study was discussed.

2.2 Theoretical Literature Review

2.2.1 Definition of Employee Turnover

The term employee turnover is often used to describe the in and out of the employee in the organization. (Edward and John, 2012) defined employee turnover as a ratio comparison of the number of employees an organization must replace in each time period to the average number of total employees.

Some literatures indicate that turnover does not only include the voluntary termination of employment but also the involuntary termination of membership of an organization. Turnover is the voluntary and involuntary permanent withdrawal from an organization. However, this research focused on voluntary turnover.

2.3 Types of turnover

The two common types of turnover are voluntary and involuntary as per Ronald.R (2002).

- Voluntary turnover
- Involuntary turnover

Voluntary turnover is taking place when employee chooses to leave his/her organization for whatever reasons at their own will. Whereas involuntary turnover is when an employer chooses to fire the employ contract by dismissals and similar actions. As Ronald.R (2002) described turnover rate can be briefly described as how fast the employers recruit and lose employees. It is sometimes considered as one of the indicators of organizational performance.

2.4 Factors Contributing to Employees Turnover

2.4.1 Working environment

It plays key role in employee retention; it is reveled from study that, if organization wants to retain their skilled employees, organization must fallow impartiality. So, organizations should realize that, working conditions in an organization have a role to play in determining whether to stay or leave the organization Ronald.R (2002). Good working environment serves as a motivating factor for employees to stay in an organization.

Overall working environment of an organization should be honored to employees and those organizations with unattractive working environment contributed to employee turnover. In an unfavorable working environment employee do not want to stay. For this reason, some employees jump from company to company because they prefer a working environment that is suitable for them. Likewise, if an employee finds an appropriate work environment which is suitable for them, they may work in that organization for several years. (Edward.E and John.W, 2012)

Ronald.R (2002), briefs that employees should always be rewarded and recognized for work well done. And promotion offer prospects of growth and career advancement. Since fair promotion policies are important to employees, they seek promotion policies and practices that are fair and in line with their expectations. Satisfaction with promotion determines employees' attitudes toward the organization's promotion policies and practices. And employees who are sure that promotion decisions are made in a fair and unbiased manner, most likely have job satisfaction. (Edward.E and John,W, 2012)

Regular performance appraisal (PA) tends to be linked with improved performance and greater job satisfaction (Edward.E and John.W, 2009). Besides, compensation and lack of challenge and opportunity were the most common factors in contemplating leaving the organization. Furthermore, some literatures shows that PA tends to focus on appraiser understanding of the condition and instruments soundness rather than investigating the views of appraise who are the subjects of PA. PA will not be effective unless it is perceived to be fair and equitable by both employer and employee. As it can be seen clearly biased practice of PA would be resulted in widespread dissatisfaction among employees which leads to turnover.

2.4.2 Assuring job security

Employees who feel secured regarding their jobs are more likely to perform at advanced level and feel better commitment to an employer. Job security is a Possibility that an individual will retain his/her job. Even though employees can influence their degree of job security by increasing their skills through education and skill, in some organizations job security is beyond the control of employees (Bratton. J 2003).

Lack of job security leads an employee to low interest and performance towards the job. In addition, leads to loss of permanency and vow for a given position. It is relatively rare for people to leave jobs in which they are happy even offered by higher salary elsewhere. Employees prefer security of their jobs.

2.4.3 Job Satisfaction and Related factors

Job position may play a significant role in reducing turnover and organizations use it as a career reward and motivation to retain competent employees. Unmatched skills and the job of employees can also be a motive for an employee to leave an organization. Match people to jobs that fit their interests, avoid boring and repetitive jobs. Employees who are placed in jobs that are too tough when compared with their skills are may discouraged and resign. (Bratton. J 2003).

Job satisfaction is emotional response resulting from the review of one's job or response to work experience, how workers feel about their jobs and work situations to the job done by an employee's judgment of the exact outcomes achieved with the results that the employee imagines from the job environment. Job satisfaction is the extent to which people enjoy their jobs (Armstrong, 2006).

2.4.4 Lack of Training

Employees who start new jobs without any kind or insufficient training or orientation, are often unaware of workplace policies and process that would benefit their job performance. When employees lack the required training to become more productive their performance suffers, and they will either leave of their own desire for jobs that provide training and employees support or they will be terminated for poor performance. A lack of proper training and development is also major cause for voluntary turnover.

It is vital for an organization to create an environment in which important information is freely communicated and in which employees are knowledgeable and perceptive of opportunities for further self-development. In addition to this, various forms of training will logically a key to an organization array of business practices (David.G and Geoffrey.W, 2009).

2.4.5 Ineffective leadership

This results from employer's failure to deliver support for employees who establish skill and concentration in promotional opportunities. Promoting employees lacking the benefit of basic leadership training puts the employer at the risk for high turnover and low efficiency. Management training and employee advancement can help a supervisor to understand how to balance dual responsibilities (Armstrong.M, 2006). Without leadership training the supervisor may fail because the employees reporting will agonize because potentially poor employee supervisor relationships. A poor relationship with the management can be a major reason for the employees to leave their jobs.

2.4.6 Relationship of Managers and Supervisors with subordinates

Lack of fixing issues or problems, particularly from supervisors, decreases workers' ability to cope with their stressful jobs and increases the likelihood that they will leave their jobs (Michael.A and Stephen.T, 2002).

Likewise, the quality of supervision was a significant influence on intent to leave the organizations. Besides, little supervision and less support from manager in conducting the assignment will lead towards high level of stress and turnover intention (Armstrong.M, 2006). The length of time that employees stay in an organization is largely determined by the relationship between employees and their managers.

Employee's needs to be treated fairly and in respect. Michael.A and Stephen.T, 2002 mention that employees need managers, who know and understand them and who

treat them fairly. If employees feel that their managers are fair, reasonable and supportive, their levels of job satisfaction increase. Besides, if the manager shows interest in the well-being of employees and is supportive and sensitive towards employees emotionally, employee job satisfaction also increases

2.4.7 Employee benefits and retention

Employee benefits are forms of non-cash compensation that companies provide to workers, such as retirement benefits, sick leave and health insurance through their employer, so failure to offer such benefits opportunities.

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. Flexibility in benefits packages can enhance retention, as it creates responsiveness to the specific needs and circumstances of individual employees (Edward and John, 2012).

Employees always look for companies who offer more benefits and compensation package. In addition, unequal or substandard wage structures fall under salary and benefits category as a reason to leave the organization. Undoubtedly revealed by John (2003) when two or more employees perform similar work and have similar responsibilities, differences in pay rate can drive lower paid employees to leave. If the organization pays with different scales for similar work, employees will likely jump for another organization.

Low pay is good reason as to why an employee may be poor in performance (Cook and Crossman, 2004). Employees prefer other companies which may provide them with higher posts and increased compensation packages (Rampur, 2009). Paying employees according to their knowledge and skills is a traditional approach so that pay is attached to the performance.

2.4.8 Intention of employees to leave or stay in the organization

Although, organizations have known that skilled and competent people exploit the organization for better incentives, how to reduce employee's turnover intention is a very critical challenge for today's HR administrators since pay better incentives and employee's motivational techniques have been useless and old practices of the human resource management (Edward E. Scannell, 2000).

It is vital for the organizations to conduct exit interviews in order to find out the reasons as to why employees leave for the purpose of developing plans and strategies that will assist in reducing employee turnover. Some organizations apply exit interviews to find out the reasons as to why employees are leaving in order to correct and improve the situation that may lead to some good retention strategies (John H. McConnell, 2005). However, studies show that exit interviews are not a reliable informational source for identifying factors that cause turnover in an organization since certain employees may not offer truthful information in interviews. As a result of this most academic scholars concerned with employee turnover use the exit interview only as a secondary data collection tool.

2.5 Retentions of Employees

Organizations must to be concerned about retaining their workers subsequently retaining valued employee is one of the significant issues for competitive organizations as hiring is not an easy procedure and employing the right applicant is a long process, an organization dedicates time and cash in training an individual and make them ready to work and understand the organizations values. To retain employees, the organizations must review their career plans and restructure those plans according to the market so that smart and brilliant employees could assist more and would valuable in the long run. It is advantageous for organizations to continue working with their current employees than to because the current employees are aligned and oriented about the company's vision and mission new employees (Ronald 2002)

2.6 Retention Strategy

Though retention strategies are complex and are not easy to implement, there are a wide and diverse range of potential retention strategies. In order to in effect the retention strategies, the employees, and their managers or supervisors need to be actively involved in the development and implementation of the strategies. Managers need to have a clear understanding of the desires and preferences of the staff (David and Geoffrey, 2009). In line with this, more effort should be done to improve retention by taking in to consideration of the many factors such as better recruitment effort, compensation practices, leadership and supervision, career planning and development, alternative work schedule, working conditions, non-work factors, team building, organizational communication, flexible working hours, compressed work week, employee involvement, proper exit interview policies for turnover, and acknowledgements (Michael and Stephen, 2002).

Organizations must understand the necessities of the employees and the factors discussed below. This could help in retaining the best qualified employees for the long run achievement.

2.7 Basic Strategies to retain employees

2.7.1 Conducive Working environment

It takes on a variety of forms, including those directed at the physical work environment health practices and social environment and personal resources. The researcher is forming the conclusion that flexible work schedule will increasingly be an important issue in the efforts to retain an organization's critical employees (Carol T.kulik, 2004).

Workplace environment includes the physical, physiological and behavioral elements. A positive work environment believed to make employees feel good about coming to work and provide the necessary motivation to sustain them throughout the day.

2.7.2 Training and Professional Development

Training, professional development and career planning are effective ways to enhance employee retention. Training constitutes a visible investment that the company makes in the worker, providing him or her with new skills, and greater competencies and confidence. Training often leads to work that is more intrinsically rewarding. Combined with effective communication about how an employee's efforts at developing skills will lead him or her to more inspiring and meaningful positions within the firm and training inspires workers to make longer term obligations to their workplace. It permits them to see a future with the company. Many have put in place effective internal promotion programs that allow even their unskilled and semi-skilled workforce to move towards positions of greater accountability and reimbursement within the company. Career development plan for the employees play a vital role in the retention of employees. Providing these career development opportunities helps to restrict employees from leaving the organization and increase in loyalty. (Carol T.kulik, 2004).

Training is a tool that can assist organizations in building a more committed and productive work force. An effective training program can lead to greater commitment and less employee turnover. Training of employees reinforce their sense of value, help to achieve goals and ensure to have a solid understanding of their job requirements. (Paul.S, Chris.B, Hilary.H, 2004)

2.7.3 Effective leadership

Leadership is always paramount as one of the most widely researched topics in every area of organizational disciplines since it is interdependent. A motivational leadership style which involves understanding employees and helping employees reach their potential contributes a lot in reducing employee turnover.

2.7.4 Recognition and Reward

Recognition and reward can contribute to a workplace culture of respect and gratitude for employees and work well done, and thereby strengthen employee obligation to the firm. Reward systems should be a considerable domain of modernization for employer. Recognition and Rewards include a various range of financial and non-financial incentives given to individual employees or groups of employees or to the whole staff (Edward E.Scannell, 2000).

Employees, especially those with self-esteem and self-actualization want to be appreciated and rewarded, not necessarily with money, but by openly acknowledging their achievements and contribution to the attainment of organizational goals and objectives. It is important to let employees know that their work does not go unnoticed since employees are more willing to stay with a company if they feel a sense of pride and success in their work.

2.7.5 Competitive and Reasonable Compensation

Competitive and reasonable compensation is an ultimate starting point in most strategies to attract and retain competent employees especially those with outstanding performance or unique skill which is necessary to the organization because companies finance more amount on their training and orientation (Edward and John, 2012).

Employers would be able to retain and attract qualified and skilled employees if they would make it a point to offer salaries that would be competitive in order to attain better financial position. The employers need to reduce their administrative procedures for the employees to obtain the best existing benefits without any trouble. Also, companies need to evaluate and modify their promotion policies in a fair way which would allow upgrades for applicants based on employee performance (Ronald, 2002).Employees need to cover standard expenses like housing, utilities and food and even they need enough money for extras.

2.7.6 Employee Communication

Creating a stronger connection and if the company leaders make themselves visible to the employees, they can create happy employees, which are engaged with high work productivity and with defined goals for themselves. Giving employees chance to give feedback through surveys helps them to be motivated and shows that they are valuable. In addition, employees who are engaged in the organizational process have pride in their work which results in reduced need to leave.

2.8 Empirical Literature Review

This section helps to gain knowledge about related topics based on information or evidence available from different research done by various researchers concerning factors contributing to employees' turnover.

On a master's thesis done by Amanda Rissanen at sport organization on investigating employee turnover and retention factors, the aim of the study was to discover why employees leave or remain on the organization. And he concluded unsatisfying work environment, and an unrewarding job all contribute to the retention of employee's turnover.

A study by Maryam Farid Mote on the case of Barclays Bank Tanzania LTD on employee turnover on organization performance, try's to assess the impact of employee turnover on the organization performance and to investigate the causes of staff turnover by using quantitative approach concluded that poor salary packages, too much workload, work stress, lack of career advancement, lack of job rotation, work stress and unfair promotion subjective performance evaluation done by supervisor are the main reasons for employees to resign.

A study conducted in Tanzania on factors that contribute to employee's turnover at private education institutions by sadiki sever in, with the objective to find out the main causes of employee turnover in an educational institute and to determine the strategies which can be adopted to retain employees at the institute. Come up with the result that employees are not satisfied with their terms and environment of employments.

Amare T/Tsadik on his research on the causes of turnover and its effect on organizational performance at Nib Insurance having the objective of assessing factors that leads to employee turnover and the effect by using descriptive method, discovered that most of the

respondents' expectations to join the Company have not been met after they were employed.

A Thesis done on the causes and effects of employees' turnover on Oromia water works design and supervision enterprise by Aman Rehouses mixed research approach with the objective to identify different factors affecting employee turnover of the enterprise reaches on the conclusion of the factors affecting the employee's turnover is both external and internal like, better salary on the market, lack of recognition and encouragement.

When we look at the study made by Soliana Mulu at ERCA she stated that the employees are highly dissatisfied with the benefits they receive, and the assistance that the employees receive from the management, lack of fair treatment and risky working environment and in general lack management concern to solve the problems raised is the reason for employees intend to leave.

2.9 Research Gap

There have been several valuable studies about employee turnover. However little has been written on factors contributing to labor turnover at Ethiopian ministry of revenues. Again, it's difficult to find studies specifically in large tax payer's branch office. A Study made by Tewodros Getachew (2016) concludes evidence that Poor working environment, lack of training and development, lack of job security were factors contributing to employee's turnover. Although the study did not deal directly with large tax payers branch office but concerned with Ethiopian minister of revenues (The former name was Ethiopian revenue and Customs Authority).

The reviewed literature especially those carried in ET showed that poor salaries, working environment, discrimination in pay, workload and lack of recognition are factors contributing to employee turnover. But apart from the afore said factors still there are other factors such as carrier development, leadership, mutual relationship, job security and extraneous variables such as death, retrenchment, retirement and dismissals which contribute to employee's turnover.

2.10 Conceptual framework

Causes to employee turnover are categorized into three categories namely; employer related factors, employee related and external related factors. The independent variables are Wage, Supervision & Poor condition of work, Job satisfaction, Career growth,

Personal decision; Better pay elsewhere, Competitive condition, Low status and the dependent variable is employee turnover.

Those independent variables if not managed and implemented properly, it may lead to staff turnover and further may impact staff turnover negatively. Those independent variables are avoidable variables. Addressing these issues could also be considered as addressing their effect on employee turnover is the dependent variable. Job satisfaction plays a major role by linking these dependent variables, hence dissatisfied employee will have high intention to leave.

Every employee would like to have a sense of security at their work place. They all like to feel that the employment that they have will last a while, this warrants a stable income. If one is guaranteed of stable income every month then the rate of turnover is reduced and organization performance improved.

The amount of wage an employee gets will have a great impact whether the employee will stay or leave the company. An employee who is satisfied with salary is likely stay at that company for quite some time and vice versa. Employees will be forced to move to other companies in search for better working environment and benefits.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology and procedures to be used in this study. And explains the research design, methods of data collection, analysis and presentation.

3.2 Research Design and approach

Research designed illustrates the complete plan of how the research work will be conducted. Sekeran (2003), stated that descriptive research design is type of design used to obtain information regarding the present status of the incidences to describe "what exists" with respect to conditions in a situation. As Mugenda and Mugenda (1999), descriptive research, including investigations and analyses is description of the state of activities as it exists at present. This research used descriptive type of research method to gather information about the present causes of ET at LTO. The researcher reasons to select this method was due to the reason that the researcher has no control over the variables.

The research contains clear objectives that are derived from research questions and specifies the source from which the researcher intends to collect data. For this to happen the researcher used primary and secondary data which are convenient and reliable.

This research was conducted by taking interview of the top, middle and lower level management of organizations and the workers to find out the causes of turnover in terms of salaries, working environment, security of jobs etc.

The research approach is selected by researcher based on the research purpose, the nature of the research, the problem area, and research questions. The research approach in this study is chosen based on the purpose and the research questions set out to be addressed. (Adhikari Griff, 2014)

Quantitative research approach

Quantitative research approach is based on the philosophy of post positivism worldview. It is also reductionist in that the intent is to reduce the ideas into a small, separate set of ideas to test, such as the variables that constitute hypotheses and research questions. (Creswell 2003) In addition, quantitative approach uses statistical methods in describing

forms of behavior and generalizing findings from samples to population of attention and employs strategies of inquiry such as experiments and surveys.

Qualitative research approach

Under qualitative approach or social-constructivist worldview, inquirers produce or inductively develop a theory or pattern of meaning rather than starting with a theory as in post positivism. Qualitative researchers tend to use open-ended questions so that respondents can express their opinions and meanings are constructed by human beings as they engage with the world they are interpreting (Creswell 2003).

3.3 Target population, Sampling technique and Sample size

3.3.1 Target Population

In this research the researcher used 73 tax auditors of large taxpayer's branch office in the minister of revenues who are currently working in the tax audit work process and 11 ex-employees who were working as tax auditors formerly in the branch tax audit process.

3.3.2 Sampling Design

The researcher used total population sampling techniques. Total population sampling is 'a sampling technique used to examine the entire population' (dissertation.leard.com). Since the population is small, and this helps to reach to the correct conclusion. Regarding the ex-employees, the researcher used convenience sampling. Convenience sampling is 'a type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study' (Lewis and Thornhill, 2012).

3.3.3 Sample Size

To assess employee turnover at LTO, the total 73 auditors who are currently working in the branch and 11 ex-employees who were working as tax auditors formerly. The researcher chooses to take the entire population since the population is small and to show the real situation of all employees regarding the turnover.

This is decided because as the sample size increases the reliability of the study increases and can show the real situation of all employees regarding the turnover.

3.4 Source of Data

The research paper uses both primary and secondary data. Primary data is a data collected using methods like interviews and research questioner with and from the employees and the management. Secondary data is gathered from different books, internet, and other documents are also used. (Adhikari Griff, 2014)

3.5 Data Collection Instrument

The researcher gathers data by personal interviewing, telephone interviewing and self-administered surveys. In this study, data was primarily collected through the utilization of questionnaires and interview to the former and current auditors of the branch. In addition, interview was conducted with key informants of the branch.

3.6 Data Analysis Method

The researcher uses SPSS to interpret the data collected. Output data from SPPS presented using statistical tools such as tables, and percentages, to simplify the interpretation and easily understand the findings.

Finally, the relationships between responses were summarized in addition to interview ideas gathered from the human resource key informants. And finally, all the outcomes were marked out and concluded to the recommendations.

3.7 Ethical Considerations

The researcher assures the confidentiality of any information collected and the purpose of the research was clearly shown in the questioner and the researcher assures this to the respondents while making an interview.

The researcher assures the respondents by clearly stating that the respondents have a right to refuse the questioner and that the data is only used for educational use.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

In this chapter the researcher presents the analysis and interpretation of the primary data collected from the former and current employees of LTO through the distribution of questionnaires and the interview arranged with the concerned official of the branch. It also presents analysis of the data obtained from relevant documents consulted. Accordingly, this chapter is divided into four parts. In the first part of this chapter an attempt is made to discuss the characteristics of both current and ex-employee of LTO. In the second part, in depth analysis and discussion of data collected through the distribution of questionnaires are presented. The third part also deals with the data obtained from document analysis. Finally, interview results forwarded by the key informants are given.

Two types of questionnaires were prepared to be completed by current professional employees of the branch and ex-employee who left the branch voluntarily. Out of the 73 questionnaires which were distributed to current employees 64 (87.67%) were completed and returned. Moreover, out of 11 auditors of the branch who left voluntarily under the period reviewed 7 (63.64%) responded and returned the completed questionnaires.

4.2 Level of employee turnover in LTO

By using the data collected from the HR of the branch the researcher stated the turnover of auditors in 2010/2011 budget year in the following table.

Table 1 Turnover data of auditors of LTO, May 2019

Year	Number of auditors on duty	Number of auditors resign	Percentage
2010	61	5	8.19 %
2011	73	6	8.21 %

As shown in the tables above 11 professional staffs leave the branch. Although high turnover rate varies according to the companies, Tsegaw Berhanu (2016) in his research assessed that the annual average rate of professional staff turnover in Ministry of Education exceeded more than 10% on average per year. When we compare the large taxpayer's branch office turnover with Ministry of Education the turnover rate is

somehow less. But it is not acceptable focus should be given to minimize the turnover rate of the branch office

4.3 Analysis of the findings of the study

4.3.1 Back Ground of the Respondents

To get an understanding about respondents background the researcher asked the questions about their gender, educational back ground, age, current working Position, length of work in the branch office are presented separately under separate types of questions.

Table 2 Demographic analysis of respondents, current auditors of LTO

Variable	Value	Frequency	Percent
Age	20-30	37	57.8
	31-40	25	39.1
	40-50	2	3.1
	Total	64	100.0
Gender	Male	40	62.5
	Female	24	37.5
	Total	64	100.0
Marital status	Single	36	56.3
	Married	20	31.3
	Divorced	4	6.3
	Widowed	4	6.3
	Total	64	100.0
Education level	Degree	37	57.8
	Masters	25	39.1
	Above	2	3.1
	Total	64	100.0
Current Position	Auditor	20	31.3
	Senior Auditor	44	68.8
	Total	64	100.0
Working in LTO	1 - 2 years	25	39.1
	2-4 years	29	45.3
	5 years & above	10	15.6
	Total	64	100.0

Source; own survey (2019)

From these results we can conclude that large numbers of auditor respondents are young. Since these auditors are eager for growth there is higher chance of leaving the branch in order to prosper with experience and knowledge. In the other side they can do their work with much energy. This can be useful to the branch to meet its plan.

As its well known in most of organization number of females is less than man the same is true in the branch only 37.5% of auditors are female. Since in our context men is much responsible, they are more likely to move from one company to other in search of best compensation and the like.

Even though this doesn't have direct connection with the auditor turnover it can be interpreted as follows, as one gets married there will be more responsibilities than before so one can be more concentrated on salary and benefits. This leads to jump from one to other company.

From these results most of auditors are holder of degree from this we can see that the branch needs to give educational opportunities for the auditors and assists in ant possible way to have competent and educated auditors. And 68.8% of respondents are senior auditors.

From the result researcher concluded that large numbers of the respondents are working on senior work positions and making their respective decision assigned to post for the study they gave good output since they are directly involved in daily operation and facing challenges in branch regarding the working environment.

From the above table 39.1% of auditors worked for 1-2 Years and 45.3% of the respondents worked for 2-4 years.15.6% of the respondents worked for 5 and above years in the branch.

Table 3 Demographic analysis of respondents, ex-employees of LTO

Variable	Value	Frequency	Percent
Age	20-30	5	71.4
	31-40	2	28.6
	Total	7	100.0
Gender	Male	4	57.1
	Female	3	42.9
	Total	7	100.0
Marital status	Single	4	57.1
	Married	3	42.9
	Total	7	100.0
Educational	Degree	5	71.4

background	Masters	2	28.6
	Total	7	100.0
Work position	Auditor	3	42.9
	Senior Auditor	4	57.1
	Total	7	100.0
Work experience in LTO	1-2 years	2	28.6
	2-4 Years	4	57.1
	5 and above	1	14.3
	Total	7	100.0

Source; own survey (2019)

From the respondents of ex-employees as we can easily recognize in the above table, they are young and energetic which were able to serve the branch a lot.

From among the employees who leave the branch number of male ex-employees is greater than the females which same as the current auditors.

Most of the ex-employees are single, degree holders and they were working in a senior level. Since senior auditors are responsible to train the juniors the resign of these employees affect the branch highly.

4.3.2 The overall working environment of respondents

This helps as to understand the situation in which the employees are working including the communication of employees with the management, the work load, the intention of employees to stay in or leave LTO and the reason behind, the motivation factors to join LTO and some other information which will assist in the conclusion of the researcher.

Table 4 Respondents view on working environment, current employees of LTO

Variable	Value	Frequency	Percent
Feeling job security	No	37	57.8
	Yes	27	42.2
	Total	64	100.0
Adequacy of tax auditors	No	54	84.4
	Yes	10	15.6
	Total	64	100.0
Suitability and structure of the audit department	No	36	56.3
	Yes	28	43.8

	Total	64	100.0
Attention to the tax auditors by the top management	No	48	75.0
	Yes	16	25.0
	Total	64	100.0
Proud of my organization	No	40	62.5
	Yes	24	37.5
	Total	64	100.0
Communication system with the management is properly laid down	No	56	87.5
	Yes	8	12.5
	Total	64	100.0
Satisfaction with the overall work environment	No	56	87.5
	Yes	8	12.5
	Total	64	100.0
I recommend LTO as a place to work	No	41	64.1
	Yes	23	35.9
	Total	64	100.0
Uncaring leadership for employees in LTO affected the retention rate	Disagree	4	6.3
	Agree	47	73.4
	Not sure	13	20.3
	Total	64	100.0
Organizational politics affected the employee retention	Disagree	4	6.3
	Agree	33	51.6
	Not sure	27	42.2
	Total	64	100.0

Source; own survey (2019)

The above table shows 57.8 % of respondents does not feel job security. It is obvious that the insecurity of employees has great effect on the efficiency and effectiveness of the branch to meet its goal.

Among 84.4% of respondents believe there is not enough staff for the tax audit department and 15.6% of respondents answered there is enough employees in the departments. From the data summarizes above we can see that 56.3% of respondents said that the tax audit department have no well-structured and suitable working environment.

Regarding the management attitude 75% of the respondents said the management do not have good attention towards the auditors. This can be one of the leading cause of employees' turnover in the branch. Most of the respondents said they don't feel proud to tell whom they work.

Regarding the communication system, 87.5% of respondents believe it was not properly laid down. This shows that there is a gap between employees and management this shows there is no transparency about the decisions made. So, this makes the problem-solving way difficult for both the management and employees.

From the respondents 87.5% of them said they are not satisfied with the overall work environment of LTO whereas 12.5% of the respondents said they are satisfied with the overall work environment of LTO.

On a study by Tsegaw Berhanu on causes and effects of staff turnover the federal ministry of education from among the respondents 49.7% of them said that they are not satisfied with the working environment.

As stated in the above table 64.1 % of the respondents does not want to recommend LTO as a place of work. And 6.3 % of respondents disagreed, 73.4% of them agreed and 20.3% of the respondents are not sure that uncaring leadership for employees in LTO affects the retention rate. Also 6.3 % of respondents disagree, 51.6 % of respondents agreed and 42.2 % of respondents said that they are not sure whether organizational politics affects employee retention.

Table 5 Respondents view on working environment - ex- employees' of LTO

Variable	Value	Frequency	Percent
Had not felt secured in my job	No	3	42.9
	Yes	4	57.1
	Total	7	100.0
Was not satisfied with the overall work environment	No	3	42.9
	Yes	4	57.1
	Total	7	100.0
The amount of workload was not reasonable	No	3	42.9
	Yes	4	57.1
	Total	7	100.0
Unfair treatment of employees	No	2	28.6
	Yes	5	71.4
	Total	7	100.0

Source; own survey (2019)

It is clearly stated in the above table that most of the ex-employees felt they don't have job security; the workload was not reasonable, and the overall work environment was not interesting.

4.3.3 Career Related Factors of respondents

This helps as to understand the career related issues which helps in personal development, the employees are working including the training trend, the work load, unfair performance appraisal in LTO and the reason behind and some other information which supports in the conclusion of the researcher.

Table 6 Respondents view on career related factors, current employees' of LTO

Variable	Value	Frequency	Percent
My job encourages a self or personal development and creates a career path	No	11	17.2
	Yes	53	82.8
	Total	64	100.0
Work related stress is the main reason to leave LTO	No	30	46.9
	Yes	29	45.3
	Not sure	5	7.8
	Total	64	100.0
I feel am working under inflexible working hours which lead to work-life imbalance	No	14	21.9
	Yes	45	70.3
	Not sure	5	7.8
	Total	64	100.0
Unfair performance appraisal process in LTO has great effect on employee turnover	No	8	12.5
	Yes	49	76.6
	Not sure	7	10.9
	Total	64	100.0
New staff receive adequate orientation to help them settle down in LTO	No	52	81.3
	Yes	12	18.8
	Total	64	100.0
New staff receive adequate on the job training in LTO	No	52	81.3
	Yes	12	18.8
	Total	64	100.0
I Received any audit technique training	No	4	6.3
	Yes	60	93.8
	Total	64	100.0
I have got enough training in my current position	No	54	84.4
	Yes	10	15.6
	Total	64	100.0

Source; own survey (2019)

Among the respondents 82.8 % of the respondents believe that their job encourages self or personal development and creates carrier path. From the respondents 45.3 % of them the said work-related stress is the main reason to leave LTO. Around 70.3% of the respondents feel that they are working under inflexible working hours which leads to work-life imbalance.

As we can see in the above table 12.5 % of auditors said unfair performance appraisal process in LTO does not have great effect on employee turnover. Among 76.6 % of respondents feel the unfair performance appraisal process has a great effect on auditors' turnover. From the respondents 10.9 % of them are not sure about the effect of unfair performance appraisal on employee turnover. Therefore, this analysis shows the dissatisfaction of employees with the performance evaluation methods.

Among the auditors who responded the questioner 81.3% of them said there is no adequate orientation to help them settle down in LTO. From the respondents 81.3 % of them said that there is no adequate on job training in LTO. Around 93.8% of the auditors responded they get training regarding their work. Among 84.4% of respondents said they don't have enough training in their current position. So, though we see most of the auditors got training the respondents said they do not get enough training for the work they performed. We can conclude that the branch needs to be well organized in training its auditors. According to Maryam Farid a study on assessment of impact of employee turnover on organizational performance, 67% of respondents said that they would consider leaving their organization if they don't get adequate training to develop their career.

Table 7 Respondents view on career related factors, ex-employees of LTO

Variable	Value	Frequency	Percent
The branch did not arrange regular development programs to develop my skill	No	3	42.9
	Yes	4	57.1
	Total	7	100.0
I left LTO because my job had no good promotion	No	5	71.4
	Yes	2	28.6
	Total	7	100.0
I left LTO because I did not receive enough recognition for well done	No	3	42.9
	Yes	4	57.1

	Total	7	100.0
I left LTO because my qualification and experience were not considered for promotion and the opportunity were not equal to other employees	No	2	28.6
	Yes	5	71.4
	Total	7	100.0

Source; own survey (2019)

Among the ex-employees of the branch, most of them said that they left LTO because the trend of training is poor, there is no recognition for good job they performed, and the promotion and opportunities given was unfair considered to others.

4.3.4 Motivational factors

This helps as to understand the motivational factor which helps in job satisfaction, the salary related issue, the work experience, expectations regarding LTO and the reason behind and some other information which will contributes in the conclusion of the researcher.

Table 8 Respondents view regarding motivational factors, current employees of LTO

Variables	Value	Frequency	Percent
My manager motivates me	Sometimes	55	85.9
	Always	9	14.1
	Total	64	100.0
My salary is fair	No	50	78.1
	Yes	14	21.9
	Total	64	100.0
I joined LTO for the salary scale	No	46	71.9
	Yes	18	28.1
	Total	64	100.0
I joined LTO to gain work experience	No	6	9.4
	Yes	58	90.6
	Total	64	100.0
I joined LTO because I did not have any other job	No	38	59.4
	Yes	26	40.6
	Total	64	100.0
After joining LTO, my expectations were met	No	42	65.6
	Yes	22	34.4
	Total	64	100.0

Source; own survey (2019)

About 85.8 % of respondents answered that their manager sometimes motivates to do a good job. Whereas 14.1 % of respondents answered that their manager always motivates them to do a good job. It is obvious that people want to work in a place where they can succeed and feel their contribution is appreciated.

Around 78.1% of the respondents believe their salary not fair. As it is well known most of employees any organization are not satisfied by salaries they earn. Another leading thing to leave. As per the interview with the key informant's that the salary scale of the branch is not adequate even compared to the work done by them but it's a better salary scale when we compare to other governmental organizations. But it's less adequate when compared to the business types.

Unlikely by a study made by Maryam (2014) 93% respondents agreed that they were satisfied with the salary they get in their organization. In fact, it 'so opposite to the finding of this research in which the respondents are not satisfied with the salary they are being paid.

On a study by Sadiki Severin, (2013). Among the respondents 68% of them agreed that the salary they receive was insufficient.

While we see the salary scale motivation 71.9 % respondents was not motivated on by the salary to join LTO. Among the respondents 9.4% of them were not motivated to join LTO to gain work experience. And 90.6 % of them were motivated to join LTO to gain work experience. About 59.4% respondents were not motivated to join LTO because they were not having any other job.65.6 % of auditors said their expectations were not met when they join LTO.

Table 9 Respondents reasons for leaving, ex-employees of LTO

Variable	Value	Frequency	Percent
I was not happy with the assistance given by LTO to learn in terms of leave for exams and subscriptions	NO	4	57.1
	Yes	3	42.9
	Total	7	100.0
I was not happy with the value and number of salaries increments, I received	No	5	71.42
	Yes	2	28.58
	Total	7	100.0
The amount of pay I received for my job was not equal to others doing similar	No	4	57.1
	Yes	3	42.9
	Total	7	100.0

Source; own survey (2019)

The ex-employees of the branch said that the assistance given to learn in terms of leave for exams and the like were not satisfactory. About 71.42% of them said that they were unhappy by salary and increments given to them.

4.3.5 Intention to leave

This session helps as to understand the intention of employees, the management and employee relations, advantages of staying in the branch office and some other information which will assist in the conclusion of the researcher.

Table 10 Respondents intention to leave, current employees of LTO,

Variable	Value	Frequency	Percent
I intend to stay in LTO	No	36	56.3
	Yes	28	43.8
	Total	64	100.0
If the answer is NO, the following reasons pushed me to have the intention to leave LTO	interest for better experience	4	6.3
	Salary and benefit packages	2	3.1
	seeking better working environment	22	34.4
	unfair performance appraisal	8	12.5
	Total	36	56.3
Missing	System	28	43.8
Total		64	100.0
The advantage of staying in LTO	Getting better experience	47	73.4
	Salary and benefit packages	17	26.6
	Total	64	100.0
My organization does not care about my welfare	Disagree	31	48.4
	Agree	33	51.6
	Total	64	100.0
My organization does not allow employees to develop themselves	No	47	73.4
	Yes	17	26.6
	Total	64	100.0
The management tries its best to	Disagree	26	40.6

ensure that employees will not want to leave the organization	Agree	38	59.4
	Total	64	100.0
The management addresses the work-related issues of dissatisfied staff	Disagree	42	65.6
	Agree	22	34.4
	Total	64	100.0

Source; own survey (2019)

Around 56.3 % of employees intend to leave the organization because saying the reason that 34.4 % of the need for better working environment and some said for better work experience and salary and benefit issues. As per the above table 73.4 % of respondents said getting better experience is the advantage of staying in LTO. 26.6 % of respondents said salary and benefit is the advantage of staying in LTO. The study by Aman racho (2015) shows that the respondents recognized that staying in their organization is opportunity for getting better wok experience 18.0 % of the respondents, for salary and benefit packages 19.4% and others better working condition which is 32.0%.

The above table shows that 48.4 % of auditors disagreed that LTO does not care about their welfare. About 51.6 % of respondents agree that their LTO does not care about their welfare. From the respondents 73.4 % of them does not feel that LTO does not allow employees to develop themselves. Among the respondents 40.6 % of them disagreed that the management tries its best to ensure that employees will not want to leave LTO. In addition to this the HR director briefs that there is no structured mechanism to solve employee turnover. This clearly shows some gap regarding the management to solve retention.

The HR director comments that the management is aware of the employee turnover but, doesn't give attention to it rather they felt like the auditors are doing something wrong regarding their work and that's why they leave. There is no good intention about the auditors from the management. Among the respondents 65.6% of the respondents disagreed in the issue that the management addresses the work- related issues of dissatisfied staff.

In the research it is identified that the branch office has no strategies and programs that are implemented in order to minimize employee turnover. But the management tries to convince employees not to leave the organization and they collect feedback from those who choose to leave.

CHAPTER FIVE

5. SUMMARY CONCLUSION AND RECOMMENDATIONS

The final chapter of the paper discusses topics about the summary and conclusion driven from the analysis of the study and possible recommendations are made.

5.1 Summary

Based on the data analysis and interpretation made in chapter four the major findings are summarized as follows.

Most of the respondents are found to be male, single and had been in the organization for less than four years.

Most of the respondents' expectations to join the Company have not been met after they were employed.

Most of the employees did not receive enough training in relation to their current position and Auditors were not recognized adequately for their performance and contribution.

Basic solutions found on the research to minimize employee turnover in the company are increasing salary scale, assuring work security and creating a better working environment.

The management doesn't design turnover reduction strategy

5.1 Conclusions

Based on the main findings above, the following conclusions are drawn.

Labor turnover has consequences of cost recruiting new and replacement employees. The additional turnover caused by leaving workers can result in difficulty in finding better employees from the market.

If turnover is managed, it can be advantageous as it removes inefficient employees and brings new blood. These in turn come up with fresh ideas and innovations to the company. In this case labor turnover can be a driver to a renewal of an organization in terms of its employees.

In other words, the positive effect of controlled turnover are displacement of poor performer and induction of new knowledge causes lower productivity due to work load on the remaining employees.

5.2 Recommendations

Based on the above conclusions, the following argument explores the recommendations considered important for the branch to retain its qualified and professional auditors.

- ◆ Top management should improve working conditions within the organization. In this study the researcher found out that auditors' in the branch the poor employee management, poor working environment and the like so, and employees tend to hunt for jobs with considerably better working environment and employee management. If employees find suitable work environment in a specific company, they may work in the same organization for several years. In order to resolve this problem, the branch need an excellent management of employee and policy that aims to create attractive working environment that would be competitive enough and benchmarked against other organizations in the same labor market to retain and attract well-qualified and experienced employees.
- ◆ Advancement and promotion were found to be one of the reasons why many professional auditors leave LTO. Career development is the most important retention factor since offering good opportunities for career development not only prevents employees from leaving the branch, but it also contributes in a positive way to their loyalty to the branch. HR managers must also put more efforts in retention policies relating to the relationship between managers and supervisors with their subordinates and job content. Those factors are important predictors of employee satisfaction and they also significantly prevent auditors from leaving the branch. Besides, the branch should try to maximize opportunities for individual employees to develop their skills and move on in their careers.
- ◆ The branch should provide job security. Auditors who are made to feel that their jobs are risky may put a great deal of effort in to impress, but they are also likely to be looking for more secured employment at the same time. Job security is greatly valued by most auditors.
- ◆ A perception of unfairness, whatever the reality when seen from a management point of view, it is a major cause of voluntary resignation. In addition to this, as quality of supervision of management has high effect factor that contributed to employee turnover, it becomes necessary to analyze that the management treated all employees fairly and equally. Accordingly, the branch encourages and promotes Zero

discrimination against any of its employees and the branch need to evaluate and modify employee performance.

- ◆ The manager and supervisors of the branch need to show their appreciation to auditors and should be more noticeable in the work to gain a better understanding of what is happening in the audit department that are aimed at rewards for performance and to retain valuable qualified auditors. Besides, the branch should implement reward and acknowledgement programs for well performers.
- ◆ Applying competitive compensation and employee retention policies will be one of the important mechanisms to minimize employee turnover.

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APPENDICES

APPENDIX I

St. Mary University

College of Business

Department of General Management

Survey questionnaire for tax auditors

Dear Respondents

My name is Hiwot Girma. I am a master's degree student at St. Mary University in the General Master of Business Administration (MBA) program. I am conducting my research on the topic, "Assessment of Professional Employees Turnover: In the Case of Large Taxpayers Branch Office of Ministry of Revenue". The purpose of the study is to identify the causes of auditors' turnover in the branch office. Your participation in this research is completely on voluntary bases and you have the right to withdraw at any time. The information that you will provide is very useful to identify the causes of auditors' turnover and recommend interventions to improve the working environment of auditors.

I would like to assure you that confidentiality will not be compromised in any way. Any information gathered will be used only for academic purpose.

Hiwot Girma

Tel. No. 09-12-65-09-39

Email – hihabte450@gmail.com

Directions: Please make a tick mark you thought appropriate for the close-ended questions below.

Part one; Profile of Respondents

1) Please indicate your age; _____

2) Please indicate your Gender;

Female Male

3) Please indicate your marital Status;

Married Single Divorced Widowed

- 4) What is your level of education?
 Degree Masters Above
- 5) What is your Current Position in LTO tax audit department?
 Senior Auditor Auditor
- 6) How long you have been working in LTO tax audit department?
 1 to 2 years 2 to 4 years 5 years and above

Part Two. Working Environment

- 7) I feel I have a job security
 Yes No
- 8) Are there enough employees in the tax audit department to undergo the tax audit activities of the branch?
 Yes No
- 9) Do the tax audit department have well-structured and suitable working environment?
 Yes No
- 10) Is there a good attitude and attention to the tax auditors from the top management?
 Yes No
- 11) I am proud to tell who I work for
 Yes No
- 12) Communication system with management is Properly laid down
 Yes No
- 13) Are you satisfied with the overall work environment of LTO?
 Yes No
- 14) Would you recommend LTO as a place to work?
 Yes No
- 15) Do you agree that uncaring leadership for employees in LTO affects the retention rate?
 Agree Disagree Not sure
- 16) Do you agree that organizational politics affects the employee retention in LTO?
 Agree Disagree Not sure

Part three. Career related factors

- 17) My job encourages a self or personal development and creates a career path
 Yes No

18) Do you think work related stress is the main reason to leave LTO?

Yes No Not sure

19) Do you feel that you are working under inflexible working hours which lead to work-life imbalance?

Yes No Not sure

20) Unfair performance appraisal process in LTO has great effect on Employee turnover.

Yes No Not sure

21) New staff receive adequate orientation to help them settle down in LTO

Yes No

22) New staff receive adequate on the job training in LTO

Yes No

23) Have you received any audit technique training?

Yes No

24) Do you think you have got enough training in your current position?

Yes No

Part four; Motivational factors

25) My manager motivates me to do a good job

Always Sometimes

26) Do you think the salary you are being paid is fair for the work you perform?

Yes No

27) I was motivated to join LTO because of the salary scale

Yes No

28) I was motivated to join LTO to gain work experience

Yes No

29) I was motivated to join LTO because I did not have any other job

Yes No

30) After joining LTO, were your expectations met?

Yes No

Part five; Intention to leave factors

31) Do you intend to stay in LTO?

Yes No

32) If your answer is NO, which of the following reasons pushed you to have the intention to leave LTO?

Interest for better experience Salary and benefit packages

Seeking Better working environment unfair performance appraisal

Specify if any other _____

33) What is the advantage of staying in LTO?

Getting better experience Salary and benefit packages

Better working conditions Specify if any other _____

34) My organization does not care about my welfare

Agree Disagree

35) My organization does not allow employees to develop themselves

Yes No

36) My organization's management tries its best to ensure that employees will not want to leave LTO

Agree Disagree

37) The LTO management addresses the work-related issues of dissatisfied staff

Agree Disagree

Thank you so much for your participation!

APPENDIX II

Items concerning causes of ex-employee turnover

Directions; Please make a tick mark you thought appropriate for the close-ended questions.

Part one; Profile of Respondents

- 1) Please indicate your age; _____
- 2) Please indicate your Gender;
Female Male
- 3) Please indicate your marital Status;
Married Single Divorced Widowed
- 4) What is your level of education?
Degree Masters Above
- 5) What is was your Position in LTO tax audit department before you left?
Senior Auditor Auditor
- 6) How long do you work in LTO tax audit department?
1 to 2 years 2 to 4 years 5 years and above

Part one; Motivational factor

- 7) I left LTO because I was not happy with assistance given by LTO to learn in terms of leave for exams and subscriptions
Yes No
- 8) I left LTO because I was not happy with the value and number of salaries increments, I received
Yes No
- 9) I left LTO because the amount of pay I received for my job was not equal to others doing similar
Yes No

Part two; Career related factors

10) I left LTO because the branch did not arrange regular training and development programs to develop my skill

Yes No

11) I left LTO because my job had no good promotion

Yes No

12) I left LTO because I did not receive enough recognition for work well done

Yes No

13) I left LTO because my qualification and experience were not considered for promotion and the opportunity were not equal to other employees

Yes No

Part three; Working environment

14) I left LTO because I had not felt secured in my job

Yes No

15) I left LTO because I was not satisfied with the overall work environment of LTO

Yes No

16) I left LTO because the amount of workload was not reasonable and sound

Yes No

17) I left LTO because there was unfair treatment of employees in general

Yes No

Thank you so much for your participation!

APPENDIX III

Interview Question to key informant of LTO

- 1) Your position in the branch office?
- 2) How long did you serve in LTO?
- 3) Is the management aware of the turnover of auditors?
- 4) What is the current trend of the auditor's turnover?
- 5) Do you feel that the turnover of auditors is a serious problem in branch office?
- 6) What are the causes of auditor's turnover?
- 7) Do you feel that auditors of LTO earn adequate financial compensation when compared to the market?
- 8) Does the branch office make exit interviews, when auditors resign?
 - a. What are the main reasons the branch office detects the auditors leaving the branch?
 - b. Does the branch use the information obtained from exit interviews?
- 9) How do you recognize auditor's contribution to the success of the branch?
- 10) What are the mechanisms the branch used to retain its experienced and qualified auditors?
 - a. Are those strategies being effective?
 - b. If not, do you have any idea why it was not effective?
- 11) What is your suggestion to reduce the rate and even its negative effect of auditor's turnover in LTO?
- 12) Any additional comments or recommendations to improve the high turnover of auditors?

Thank you so much for your participation!