



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

**AN ASSESSMENT OF THE CAUSES AND EFFECTS OF
EMPLOYEES' TURNOVER: *THE CASE OF DEFENSE
CONSTRUCTION ENTERPRISE***

**BY
ABRAHAM AREGAY G/MARIAM
SGS/0064/2011A**

**JANUARY, 2021
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY,
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Dedication

I dedicate this thesis as an excellent achievement of my educational life to all members of my family, especially to my wife who is always caring.

ACKNOWLEDGEMENTS

First of all, I would like to give the credit to God, who is the master of my life. I would also like to thank my advisor, Shoa Jemal (Asst. Prof.), not only for his guidance and support, but also for his friendly approach. I am truly and deeply indebted to his guidance, patience, and constant faith and confidence in me as a student. Successful accomplishment of this research would have been very difficult without his generous time devotion from the early design of the proposal, questionnaire to the final write-up of the thesis.

ABBREVIATIONS/ACRONYMS

AJS	Availability of Job Security
EPA	Employees Performance Appraisal
EET	Effect of Employee Turnover
MET	Mechanisms to reduce Employee Turnover
PB	Payment and Benefit
PO	Promotion Opportunities
RES	Relationship between Employees and Supervisors
TO	Training Opportunities
WE	Work environment

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ABSTRACT

The study was to assess the causes and effects of employees' turnover in Defense Construction Enterprise. And the researcher applied descriptive research design to describe the reasons why employees left the enterprise and their effect on the enterprise. The sample size drawn was 203. The study employed the probability sampling method which was random sampling. This study applied mainly the following information gathering tool, i.e. survey questionnaire and document review. Lastly, Data Analysis was done by percentage and frequency distribution and median value. As of the result of the study – Irregularity in payment was not the cause for employee turnover in the enterprise. This is shown by 126 (61.9%) disagreement by respondents and median value of 2 demonstrates that. Meanwhile, in Defense Construction Enterprise better pay elsewhere was the reason for leaving the organization. This is shown by 86 (42.4%) agreement by respondents and median value of 4 demonstrates that. In addition in Defense Construction Enterprise employee turnover results in decrease in productivity. This is shown by 86 (42.4%) agreement by respondents and median value of 4 demonstrates that. This finding complied with the previous studies. Based on the above findings, the study concluded that better pay elsewhere, non-transparency of promotion policies and not merit based promotion are the major causes of employee turnover in Defense Construction Enterprise. In addition as the result of employee turnover the enterprise exposed to work load and decrease in productivity. So far the organization has used revising salaries and benefit packages to reduce employee turnover. Finally, based on the findings and the conclusions made before, the following recommendations are provided: the enterprise needs further to improve payment and benefits. The enterprise also needs to transparent its promotion policy.

Key words: *Employee turnover, Working environment, payment and benefit.*

CHAPTER ONE

INTRODUCTION

1.1. Back ground of the study

Productivity is very important issue for an industry or organization (Shamsuzzoha & Shumon, 2013). On the other there are several issues on which productivity of an organization mostly depends upon (Asamnew, 2019). Employee's turnover is one of them which are considered to be one of the challenging issues in business nowadays (Aman, 2015). Singh et al. (1994) defined employee turnover as the rate of change in the working staffs of a concern during a definite period (Henha, 2017). Kossen (1991) also defined the employee turnover as the amount of movement in and out (of employees) in an organization (Lee, 2019).

In worldwide context especially the construction industry faces major challenge within the higher turnover rate, which might cause severe result within the overall work progress and also the price (Thomas, 2013). Specifically, Defense construction enterprises are cited so many times in literatures (Beatty, 2018). Beatty (2018) further added that first and foremost the construction sector needs to ensure the nation's operational readiness and to serve military personnel and their families in comply with Ministry of Defense frontline commands.

On the other employees' turnover from this sector triggers consequences that are more damaging and far-reaching than in other industry sectors (Mafini & Dubihlela, 2013). According to Bosman, Buitendach & Rothmann (2005) in general, turnover is renowned for its disruptive effects on organizational effectiveness in all industries. Especially, the situation is adverse in developing countries including Ethiopia (Shamsuzzoha & Shumon, 2013). For instance, currently, in Ethiopia most young employees are leaving the Defense Construction Enterprise due to unknown reasons (Asamnew, 2019).

Basically, Defense Construction Enterprise invests a lot on their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, the organization at all costs must minimize employee's turnover (Ongori, 2007). Actually, there is no standard framework for understanding the employees turnover process as whole; meanwhile according to Kevin et al. (2004) there is

need to develop a fuller understanding of the employee turnover, more especially, the sources what determines employee turnover and effects that organizations can put in place minimize turnover (Henha, 2017).

Therefore, this study was to assess the causes and effects of employees' turnover in Defense Construction Enterprise. Defense Construction Enterprise was established in 2010 by Ethiopian ministry of council regulation NO 185/2010 as public enterprise and national defense as supervising authority of the enterprise. The purpose for which the enterprise is established to engage in any construction activity mainly to satisfy the national defense construction and infrastructural development needs. Besides, to engage in the construction of roads, dams, irrigation infrastructure, Buildings and other construction related works in the country (Asamnew, 2019). Henceforth its establishment, the enterprise had completed 20 roads, dam, irrigation, building and real estate projects which worth around birr 4 billion in the last five years. Currently, there are 35 construction projects under construction which worth around 12.5 billion. The enterprise annual income turnover is around 1.4 billion on average for the last seven years.

1.2. Statement of the Problem

Turnover among the employees is one of the biggest challenges for any organization and have far lasting effects. According to HassanIt (2013) employee turnover has been seen as a serious issue especially in the field of human resources management (Belete , 2018). Wu and Polsaram added that employee turnover become a major concern for many organizations nowadays and high employee turnover have a devastating effect on a company, especially if the lost employees are high performers.

So, in today's competitive business world, it is considered to be an important task to manage employee turnover for any organization (Aman, 2015). And it is needed to develop a fuller understanding of the employee turnover, more especially, the sources - what determines employee turnover and its effects (Henha, 2017).

In align with this literatures are not silent. Phillips and Connell (2003) mentioned the following issues as of external drivers causing employee's turnover. These are economic growth, slower growth of job seekers, unemployment rate at low levels, shortage of special skills, entrepreneurship & job changes for more favorable climates. Regarding to the effects of employees' turnover specifically in respect of the construction sector

Thomas (2013) disclosed that managers quickly get frustrated with the constantly revolving of employees. In addition employee turnover contributed to longer term employees getting upset and leaving.

However, the existing empirical evidence in contrast with more settled theoretical evidence show mixed results. It means in different areas empirical evidences are also varied. In addition geographical coverage of empirical studies on employee turnover is one of the identified gaps particularly for Defense Construction Enterprise. So, this study was designed to assess the causes and effects of employees' turnover in Defense Construction Enterprise.

1.3. Research Questions

1. What are the causes of employees' turnover in Defense Construction Enterprise?
2. What is the effect of employees' turnover in Defense Construction Enterprise?
3. What are mechanisms so far executed by Defense Construction Enterprise to reduce employee turnover?

1.4. Objective of the study

1.4.1. General objective

The main objective of the study was to assess the causes and effects of employees' turnover in Defense Construction Enterprise.

1.4.2. Specific objective

1. To identify the causes of employees' turnover in Defense Construction Enterprise
2. To pinpoint the effect of employees' turnover in Defense Construction Enterprise
3. To assess mechanisms so far executed by Defense Construction Enterprise to reduce employee turnover?

1.5. Significance of study

The study will provide a multiple benefit for human resource department of Defense Construction Enterprise. The study will fill the knowledge gap and help researchers and development practitioners in their respective efforts. The study attempted to identify the

reasons why employees left the enterprise and their effect on the enterprise. HRM department is also expected to draw lesson from the findings of this study which serve as input for designing mechanisms to reduce employees' turnover. Lastly the study would serve as the source of empirical literature review to the researcher in the future.

1.6. Scope of the study

The scope of this study was restricted to the particular topical and spatial areas. Having objective of assessing the causes and effects of employees' turnover, the spatial scope of the study was delimited to Defense Construction Enterprise in Addis Ababa. Besides, the study covered the time period March, 2020 to December, 2020. This study used descriptive research design with quantitative research approaches/methods. The unit of observation of the study comprised employees of Defense Construction Enterprise in the head offices of different departments.

1.7. Limitation of the study

The study approached the employees with closed ended questionnaires. However, the study would not embrace interview so that the findings in the future might not include employees' deep insight (attitudes/beliefs /think/know/feel about). It is obvious also survey often suffers the limitation of forcing respondents in to particular response categories there by limiting the range of responses. Unlike an interview where respondents can ask identifying questions, respondents are usually limited to the next in survey itself for direction about how to complete it and where to respond. Thus the study may not know whether the findings may generalize to the participants of the study.

1.8. Organization of the study

This thesis was organized in to five chapters. Chapter one is dedicated for introduction. Under this chapter, background of the study, statement of the problem, objective of the study, scope of the study, limitation of the study are discussed. Chapter two encompasses review of related literature. This chapter embarks on reviewing theoretical and empirical literatures. For the consumption of theoretical review the study reviewed on such topics as concepts of employee turnover, types of employees' turnover reasons for employee turnover, effects of employee turnover and theories on employee turnover. And the study also incorporates empirical review on such topics as empirical evidence on the causes and effects of employee turnover including mechanisms executed for re-

ducing employee turnover. Research design and methodology are embedded in chapter three. Chapter four consists of results and discussion. Lastly, chapter five incorporates summary of findings, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter embarks on reviewing theoretical and empirical literatures. For the consumption of theoretical review the study reviewed on such topics as concepts of employee turnover, types of employees' turnover reasons for employee turnover, effects of employee turnover and theories on employee turnover. And the study also incorporates empirical review on such topics as empirical evidence on the causes and effects of employee turnover including mechanisms executed for reducing employee turnover.

2.1. Theoretical Literature

2.1.1. Concept of turnover

2.1.1.1. Employee Turnover

According to Hom, Lee, Shaw and Hausknecht (2017) employee turnover refers to employee cease to be a member of an organization (Ongori, 2007). Whereas according to Abassi et al. (2000) employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment. According to Ivancevich and Glueck (1989), employee turnover is the net result of the exit of some employees and entrance of others to the organization. Singh et al. (1994) also define staff turnover as the rate of change in the working staffs of a concern during a definite period (Henha, 2017). Kossen (1991) defined the staff turnover as the amount of movement in and out (of employees) in an organization (Lee, 2019).

2.1.2. Types of Employees' Turnover

Employee turnover can be classified in to the following categories i.e.

- ✚ **Functional vs. Dysfunctional Turnover:** Functional turnover can be defined as “a turnover in which poor performers leave”; while, according to Li, Sawhney&Tortorella (2019) dysfunctional turnover can be defined as “a turnover in which good performers leave”.
- ✚ **Avoidable vs. unavoidable turnover:** A turnover that happens in avoidable circumstances is called ‘Avoidable Turnover’, where as “a turnover that happens in unavoidable circumstances is called ‘unavoidable turnover’ (Henha, 2017).

- ✚ **Voluntary vs. Involuntary turnover:** Voluntary turnover can be defined as “the turnover in which employee has own choice to quit or instances of turnover initiated at the choice of employees” where involuntary turnover can be defined as “the turnover in which employees have no choice in their termination e.g. sickness, death, moving abroad or employer’s initiated termination” (Aman, 2015).
- ✚ **Internal vs. External turnover:** turnover can be classified as ‘internal turnover’ or ‘external turnover’ (cited in Wikipedia). Internal turnover happens when employees send-off their current position and getting a new position within the same organization. According to Li, Sawhney & Tortorella (2019) it is related with the internal recruitment where organizations filling the vacant position by their employee or recruiting within the organization.
- ✚ **Skilled vs. Unskilled turnover:** Untrained, uneducated and unskilled positions often face high turnover rate. Without the organization or business incurring any loss of performance, employees can generally be replaced. On the other hand skilled and educated positions may create a risk to the organization while leaving. Therefore turnover for skilled and educated professionals incur replacement costs as well as competitive disadvantage of the business.

2.1.3. Reasons for Employee Turnover

There are number of reasons contributing to employee turnover. Chabaya, Tshephe & Molotsi (2014) reviewed on the reasons such as organizational culture, the characteristics of the job, unrealistic expectations, the person and better pay elsewhere. For instance, organizational culture refers to organizations’ inability to elicit a sense of commitment on the part of employees and lack of a sense of shared goals, among other factors, the more employees experience job dissatisfaction and in turn the high the turnover intentions and turnover rate. In the other hand repetitiveness, challenge, danger, perceived importance, capacity to elicit a sense of accomplishment and such characteristics of the job as short contracts may pause a danger of being out of employment within a short notice. Moreover, person traits such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production may also fire the employee form the work place. In case inadequate or lackluster supervision and training for instance, new employees may need extra help in learning an unfamiliar job. Similarly, the absence of a training program may cause workers to fall behind in their level of performance and feel that their abilities are lacking. Regarding to feelings of

not being appreciated for example, the most seasoned employee needs to be told what he or she is doing right once in a while (Aman, 2015).

2.1.4. Effects of Employee Turnover

According to Kuria, Alice and Wanderi (2012) employee turnover is significant to organization, individuals and management. In addition according to Hiemstra (1990) from the organizational perspective, labor turnover represents a significant direct cost in terms of recruiting, poor production practices and reduced standards as well as high replacement and training costs (Shamsuzzoha & Shumon, 2013).

Inefficiency in production or service provision also happened as the result of slackness on the part of the resigned, inexperience of the replacement employee and inefficiencies resulting from a period in which the vacancy is unfilled (Amare , 2013). Hogan (1992), Wasmuth and Davis (1993) and Barrows (1990) also argued that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Aman, 2015). On a similar note, Chabaya, Tshephe&Molotsi (2014) suggest that, there are other costs associated with labor turnover which include separation costs (exit interviews and severance pay), recruitment costs (advertising and search fees), selection costs (interview and reference checking), hiring costs (induction and initial training), relocation expenses, uniforms and lost productivity costs associated with both the unfilled (AHMAD & STERN, 2000) vacancy and the learning curve associated with the new employee.

Additional cost on recruitment administration will be incurred for responding to enquiries and sending out application forms and equal opportunities monitoring. Selection costs also embraces traveling expenses for candidates, psychometric testing staffs' time in interviewing or running assessment centers, checking references. Development costs also incorporates training the new employee using formal and informal development methods, induction training.

On the other hand, turnover has many hidden or invisible costs Philips (1990) and these invisible costs are result of incoming employees, co-workers closely associated with incoming employees, co-workers closely associated with departing employees and position being filled while vacant. Fair (1992) detailed this as indirect cost which are as-

sociated with decreased levels of employee motivation, absenteeism, tardiness leading to customer dissatisfaction and ultimately customer defection.

2.1.5. Theories on Employee Turnover

In this study the following theories i.e., Job Embeddedness theory, social exchange theory, theory of organizational equilibrium, Human capital theory & motivation theory were reviewed to assess the causes and effects of employees' turnover in Defense Construction Enterprise.

In respect of the causes of employee turnover: Job Embeddedness theory, postulated by Mitchell et al. (2001), claims that if employees have many connection and links within their organizations and within their communities they don't want to lose or sacrifice those links and connections for unknown new job or for unfamiliar new environment; unless otherwise for the employees it is easy to join unknown new job (Henha, 2017).

For instance according to Firth et al. (2004) the experience of job related stress (job stress), the range factors that lead to job related stress (stressors), lack of commitment in the organizations and job dissatisfaction make employees to quit (Capko, 2001).

On the other the social exchange theory hypothesized by claims that employees are connected by a network made of ties whose strength influences their intention to keep or leave their job. For example, Manu et al. (2004) argue that employees quit from organization due economic reasons. Using economic model they showed that people quit from organization due to economic reasons and these can be used to predict the labor turnover in the market (Smart & Chamberlain, 2017).

Moreover, theory of organizational equilibrium, coined by Thomson (2003) and Brasher (2016), hypothesizes that turnover is a decision taken after weighing one's perception of one's contribution to the organization against one's perception of the contribution of the organization to one's life (Hom, Lee, Shaw, & Hausknecht, 2017). For instance, Trevor (2001) argues that local unemployment rates interact with job satisfaction to predict turnover in the market. Role stressors also lead to employees' turnover. Role ambiguity refers to the difference between what people expect of us on the job and what we feel we should do. And Kahn et al added that this causes uncertainty about what our role should be. Moreover, Hom, Lee, Shaw & Hausknecht (2017) explained the issue in part by saying that,

It can be a result of misunderstanding what is expected, how to meet the expectations, or the employee thinking the job should be different.

Moreover, the study also gave emphasis on motivation theory to identify factors that influence people to behave in a particular way or to move in a particular direction. Motivation theory examines the process of motivation (Aman, 2015). It explains why people at work behave in the way they do in terms of their efforts and the directions they are taking. It describes what organizations can do to encourage people to apply their efforts and abilities in ways that will further the achievement of the organization's goals as well as satisfying their own needs.

It is also concerned with job satisfaction the factors that create it and its impact on performance. There are two types of motivation as originally identified which are: Intrinsic motivation: – the self-generated factors that influence people to behave in a particular way or to move in a particular direction. These factors include responsibility (feeling that the work is important and having control over one's own resources), autonomy (freedom to act), scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement.

Regarding to the effect of employee turnover: according to DeMicco and Giridharan (1987); Dyke and Strick (1990); Cantrell and Saranakhsh (1991) and Denvir and McMahon (1992) the reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations (Ong07). Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed.

The first mainly negative effects of employee turnover are the potentially high costs associated with replacing a departed employee. The costs associated with recruiting, selecting, and training new employees are always very high, so organizations always want to increase their skilled employees' commitment and improve their skilled employees' retention (LIU, 2017). According to Li, Sawhney&Tortorella (2019) the second highly impactful negative effects of employee turnover are the disruption of organizational function, such as decreased performance and unfulfilled daily functions.

Further, according to Chabaya, Tshephe&Molotsi (2014) the organization could be considered in terms of three intangible assets i.e. assets of individual competence,

assets of internal structure and assets of external structure. Marti (2007) claimed that it is logical that firms should pay close attention to effective management of such assets.

Basically assets of individual competences refer to aspects such as education, experience, know-how, knowledge, skills, values and attitudes. According to Marti (2007) the company does not own those assets, but the use of those assets is accessed by the company's hiring of employees. This asset is also known as human capital.

And Dess and Shaw (2001) argued that human capital theory has been found to be appropriate in examining organizational-level consequences of voluntary staff turn-over. According to Massingham (2008) "Human capital is the knowledge possessed by employees and is aggregated at the organizational level in terms of their combined competence and experience".

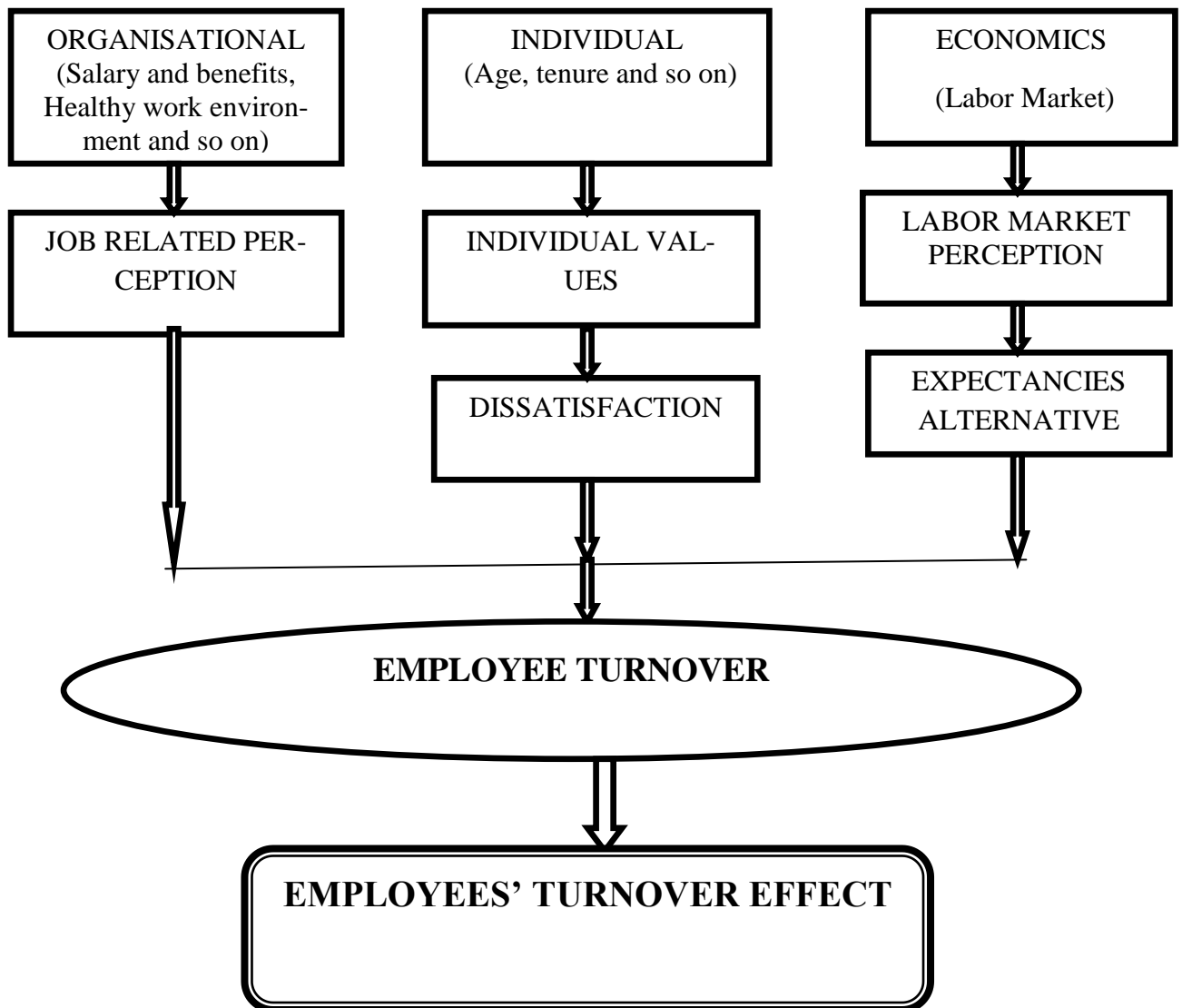
On the other assets of internal structure refer to the company's formal and informal organizational structure, working methods and procedures, research development systems, management systems and culture. Moreover, assets of external structure refer to the company's portfolio of customers (e.g. good will) and its relationship with outside stakeholders as well as its image. So, when literature tried to describe the consequences of employee turnover; all these issues should take in to consideration.

2.2. Theoretical Frame work of this Study

A theoretical framework of this thesis comprises the aforementioned issues expressed by theorists: Mitchell et al. (2001), Firth et al (2004), Thomson (2003) and Brasher (2016), DeMicco and Giridharan (1987), Dyke and Strick (1990), Cantrell and Saranakhsh (1991), Marti (2007) & Denvir and McMahon (1992) into which this study plan to research, which the study draws upon to provide a theoretical coat hanger for its data analysis and interpretation of results. And the theoretical frame work is graphically

Presented below.

Figure 2. 1 Theoretical Framework



Source: Own Synthesis from Literature Review on Mitchell et al. (2001), Firth et al (2004), Thomson (2003) and Brasher (2016), DeMicco and Giridharan (1987), Dyke and Strick (1990), Cantrell and Saranakhsh (1991) & Denvir and McMahon (1992)

2.3. Review of Empirical Studies

2.3.1. Empirical Evidence on the Causes of Employee Turnover

Some contemporary authors, such as Phillips and Connell (2003), Smith (2004), and Branham (2005), provide different explanatory constructs when looking at turnover. Phillips and Connell (2003) mentioned the following issues as of external drivers causing employee's turnover. Wobeser, Escamilla, & Wobeser (2013) explained the issue in part by saying that

These are economic growth; slower growth of job seekers; unemployment rate at low levels; shortage of special skills; entrepreneurship & job changes for more favorable climates.

These same scholars illustrated the following issues as of internal drivers causing employees' turnover. These are lack of company loyalty; desire for challenging and useful work; need for autonomy, flexibility and independence; need for performance-based rewards; need for recognition for their participation; desire for all types of benefits; need to learn new skills; career growth in all directions; desire to be on the leading edge; desire for competitive compensation; need for a caring, supportive environment & need for work/life balance.

For instance, Clausen et al. (2014) discovered issues surrounding management support wherein management did not let employees know how they were performing on the job. As a result, employees felt complacent and dissatisfied in their jobs and were more likely to quit (Deighan, 2016). Thanacoody and Hui (2011) found that employee turnover resulted from a lack of support by employers which led to disloyalty to the employer. Borstorff and Marker (2007) also discovered a lack of support from management to be a predictor of employee turnover.

Moreover, Kulik, Treure, and Bordia (2012) found that a single shock about a situation often triggered employees to quit their jobs. Morrell, Loan-Clarke, and Wilkinson (2004) reported in their study that shocks were overwhelmingly the main reason employees quit their jobs (Deighan, 2016). On the other Carayon, Schoepke, Hoonakker, Haims, and Brunette (2006) discovered that employees who did not receive the opportunity to learn skills on the job were more likely to quit, while inadequate raises and little to no increase in compensation were also factors for voluntary turnover.

On the other Smith (2004) demonstrated the following issues as of internal drivers causing employees' turnover (Wobeser, Escamilla, & Wobeser, 2013). These are fewer workers, better times; higher expectations of workers; longer hours, more demanding work; family demands; changing work ethics; a new class of graduates; challenge: meeting the needs of an increasingly diverse workforce.

Moreover, Branham (2005) mentioned the following issues as of hidden reasons causing employees' turnover. These are the job or workplace was not as expected; the mismatch between job and person; too little coaching and feedback; too little growth and advancement; feeling devaluated and unrecognized; stress from overwork and work-life & loss of trust and confidence in senior leaders (Wobeser, Escamilla, & Wobeser, 2013). Thomas (2013) suggested that task insignificance as the cause of employees' turnover. This scholar also pointed out that un-satisfaction in payment as the cause of employees' turn over.

On the other exit interviews revealed that economic-one of the most common reasons given for leaving the job is the availability of higher paying jobs. Some minimum wage workers reported for leaving one job to another that pays only 50 cents an hour more. Obviously, in a better economy the availability of alternative jobs plays a role in turnover, but this tends to be overstated in exit interviews (Shamsuzzoha & Shumon, 2013).

The exit interview also aired that some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitive-ness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment. In addition empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers. Moreover, empirical evidences show that changes in family situation, a desire to learn a new skill or trade or an unsolicited job offer play a role in turnover.

2.3.2. Empirical Evidence on the Effect of Employee Turnover

Thomas (2013) suggested that managers 'quickly get frustrated with the constantly revolving of employees. In addition employees contribute to longer term employees getting upset and leaving. Moreover, the scholar suggested that the employee turnover in their company leads to increased work load.

2.3.3. Empirical Evidence on Mechanisms executed for Reducing Employee Turnover

Lambert, Griffin, Hogan, and Kelley (2014) claimed that affective commitment (emotional attachment) has the largest effect on reducing employee turnover (Deighan, 2016). De On the other Geiter and Hofmans (2015) revealed that turnover is often influenced by reward packages. Employees value rewards such as income bonuses and other additional financial remuneration. Likewise, the Society for Human Resource Management (2014) claimed that compensation is the most vital factor for worker satisfaction and for reducing employee turnover. On the other distributive justice, the extent to which rewards and punishments are related to job performance and fairness in the allocation of outcomes such as pay and promotions were reported to be critical to employees' retention (John, 2016).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Research method and approaches, population and sample and data collection are presented in this chapter. Further description and illustration is given on how each data collection tool is applied.

3.1. Brief Description of the Study Area

To describe the study area the study focused on the enterprise's location relation to the topic of the study.

3.1.1. Location of the Study Area

The study was carried out from March, 2020 to December, 2020 at the head office level of Defense Construction Enterprise in Addis Ababa. The enterprise is about 10km south east of Municipality of Addis Ababa and is bordered by 'Goter' Adebabay and Ethio Chain Road (Addis Ababa City Administration, 2010)

3.2. Research Design

Research design is a framework that serves as a plan to study the research problem. The role of a research design is to manage the collection of relevant data with minimal consumption of effort, time and money considering the research objectives (Kothari, 2004). This study applied descriptive research design to describe the reasons why employees left the enterprise and their effect on the enterprise.

In addition to provide for the collection of relevant evidence with minimal expenditure of effort, time and money this study used descriptive research design. This study was conducted from March, 2020 to December, 2020 in at the head office level of Defense Construction Enterprise in Addis Ababa particularly on 203 employees determined based on the formula adopted from Krejcie & Morgan (1970).

3.3. Population, Sample Size Determination and Sampling Techniques

3.3.1. Population

Target population as defined by Frederic (2010), is a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result (Prasad, 2015). The target population for the study is 431

employees of Defense Construction Enterprise in the head offices of different departments. And it is tabulated below

Table3. 1 Target Population of the Study

S/N	Target population	Number of Employee	Percentage
1	General manager office	5	1%
2	Supportive process office	5	1%
3	Law department	8	2%
4	Internal audit department	10	3%
5	Planning and business development department	11	4%
6	Information communication department	8	2%
7	Road construction engineering department	31	8%
8	Building construction engineering department	45	12%
9	Construction equipment maintenance department	120	23%
10	Human resource department	83	18%
11	Finance department	37	10%
12	Procurement department	35	9%
13	Property administration department	33	7%
Total		431	100

Source: Defense Construction Enterprise Report (2019)

3.3.2. Sample Size Determination

The ever increasing demand for research has created a need for an efficient method of determining the sample size needed to be representative of a given population (Krejcie & Morgan, 1970). The sample size representative of the employees in this study was 203. It was determined based on the Krejcie and Morgan's sample size calculation as presented below

$$s = X^2 NP (1-P) / d^2 (N-1) + X^2 P (1-P)$$

Where: s = Sample Size

s = required sample size

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (0.05 = 3.841).

$N =$ the population size = 431

$P =$ the population proportion (assumed to be 0.50 since this would provide the maximum sample size).

$d =$ the degree of accuracy expressed as proportion (0.05).

S (Sample size) = $3.841(431) (0.5) (0.5) / 0.05^2(430) + 3.841 (0.5) (0.5) = 203$

3.3.3. Sampling Procedures

The careful design of the sample size and the right selection of sampling techniques are important to ensure the representativeness of the sample that can be dependable to generalize the information obtained from the sample to the whole population of the study (Kothari, 2004). The sampling technique used in this study was the probability sampling method which was random sampling.

A probability sampling define as one in which every unit in the population has a chance ($0 < x < 1$) of being selected in the sample which can be accurately determined. Under this technique, the population was divided into different departments, which is individually more homogeneous than the total population.

Then staffs were selected from the department by random sampling technique. Since each department was more homogeneous than the total population, this study was able to get more precise estimate for each department. By estimating more accurately each of the component parts of population, the study got a better estimate of the whole population. Therefore the sample frame was presented in the following below.

Table 3. 2 Sample taken

S/N	Target population	Number of Employee	Percentage
1	General manager office	1	1%
2	Supportive process office	1	1%
3	Law department	5	2%
4	Internal audit department	7	3%
5	Planning and business development department	10	4%
6	Information communication department	4	2%
7	Road construction engineering department	16	8%
8	Building construction engineering department	24	12%
9	Construction equipment maintenance department	46	23%
10	Human resource department	38	18%
11	Finance department	20	10%
12	Procurement department	18	9%
13	Property administration department	13	7%
Total		203	100

Source: Defense Construction Enterprise Report (2019)

3.4. Data Source and Collection Method

According to Wimmer and Dominick (2011), method is a specific data collection process in accordance with the assumption of the selected methodology. Primary data are those which are collected a fresh and for the first time and thus happen to be original in character (Kothari, 2004). For this study primary and secondary information sources were utilized. Thus this study applied mainly the following information gathering tool, i.e. survey questionnaire and document review.

3.4.1. Survey questionnaires

For this study, questionnaire is the most important data collecting tool. Because of it is quick, economical; simply reach large numbers and it easy to get much information from respondents. It also helps to save time, encourages objectivity, provide rapid analysis and feed back to the researcher (Wimmer & Dominick, 2011).So, self - administered structure questionnaire were used to conduct field surveys on employees' turnover causes and effect. The survey measure employed in this study comprised four major

sections: (1) general information, (2) causes of employee turnover, (3) effect of employee turnover and (4) mechanisms to reduce employee turnover.

This study utilized surveys which often used multi item scales with Likert-type response options (e.g., 1-5 ratings) for specific details about employee opinions. Items assessed various concepts such as payment and benefit, working environment, training opportunity, promotion opportunity, availability of job security, employee performance appraisal and relationship between employee and supervisor.

3.4.2. Document Review

The secondary data sources used for the study were five years compiled exit interviews of Defense Construction Enterprise. This study reviewed these documents as part of document analysis to calculate employee turnover rate.

3.5. Method of Data Analysis

Descriptive statistics, one of the techniques, was used to summarize data, collected from the respondents. By applying descriptive statistics such as, percentages, frequency and median the study analyzed the quantitative survey.

3.6. Reliability and Validity

For ensuring the consistency of the research findings and the accuracy with which a method measures what it is intended to measure; the study implemented the following way of instrument reliability and validity. According to Isaac and Michael (1993) construct validity in instruments of data collection shows the extent to which certain explanatory concepts or qualities account for the Indentured objectives of the data collection tools.

On the other hand, Fraenken and Wallen (2003) reported that reliability indicates the consistency of the scores obtained between different respondents or within the responses of the same subjects' overtime. So, reliability of the items to the variables was measured by using Crobach's alpha method by the help of SPSS version 20. The consistency of each item with the scale as a whole to PB, WE, TO, PO, AJS, RES, EPA, EET and MET was presented in table 3.1 with Cronbach's alpha 0.717, 0.743, 0.924, 0.890, 0.865,0.883, 0.896, 0.851and 0.943respectively.

Table3. 3 Reliability Test

Reliability Statistics to Payment and Benefit	
Cronbach's Alpha	No. of Items
0.717	4
Reliability Statistics to Working Environment	
Cronbach's Alpha	No. of Items
0.743	6
Reliability Statistics to Training Opportunity	
Cronbach's Alpha	No. of Items
0.924	5
Reliability Statistics to Promotion Opportunity	
Cronbach's Alpha	No. of Items
0.890	4
Reliability Statistics to Availability of Job Security	
Cronbach's Alpha	No. of Items
0.865	5
Reliability Statistics to Relationship between Employees and Supervisors	
Cronbach's Alpha	No. of Items
0.883	5
Reliability Statistics to Employees Performance Appraisal	
Cronbach's Alpha	No. of Items
0.896	4
Reliability Statistics to the Effect of Employee Turnover	
Cronbach's Alpha	No. of Items
0.851	5
Reliability Statistics to Mechanisms to reduce employee turnover	
Cronbach's Alpha	No. of Items
0.943	5

3.7. Ethical Consideration

To collect data the ethical permission was taken from the university by official letter. The respondents were asked respectfully to receive the required information based on their willingness. Response of respondents was unnamed. The researcher disclosed the privacy of respondents and kept secretly the information collected. Confidentiality was considered in all levels of the study during information gathering.

CHAPTER FOUR

DATA ANALYSES AND INTERPRETATION

This chapter attempted to analyze and interpret the data collected and summarized. The results are made to relate to the key considerations discussed in the literature review sections. At the same time, the data is analyzed in association with the research questions raised in chapter one. Basically this study tried to describe the reasons why employees left the enterprise and their effect on the enterprise including the mechanism so far executed to reduce employee turnover. The data collected were analyzed using SPSS version 24.

4.1. Response Rate

Out of a total of 203 respondents, 100 % of the surveyed participants return the questionnaires. Therefore, the researcher used all the questionnaires returned.

Table 4. 1 Survey response rate table

Respondents	Size
Sample size	203
Completed and returned questionnaire	203
	100%

Source: Survey outcome (2020)

4.2. Demographic Profile of Respondents

General demographic information was collected from employees of Defense Construction Enterprise. Demographic information of the respondents includes age, sex, service year and managerial position as presented in Table 4.2 below.

Table 4. 2 Demographic characteristics

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 -25 years	21	10.1	10.1	10.1
	26-35 years	87	43.2	43.2	53.3
	36-45 years	67	33.1	33.1	86.4
	46 to 54	19	9.4	9.4	95.8
	above 55	9	4.2	4.2	100.0
Sex					
Valid	Male	156	55.4	55.4	55.4
	Female	47	44.6	44.6	100.0
Education level					
Valid	High School	6	2.9	2.9	2.9
	College Diploma	35	17.3	17.3	20.2
	Degree	123	60.4	60.4	80.6
	MA/MSC	39	19.4	19.4	100.0
Service year					
Valid	<1 year	13	6.5	6.5	6.5
	1 to 3 years	41	20.1	20.1	26.6
	4 to 7 years	85	41.7	41.7	68.3
	8 to 10 years	35	17.3	17.3	85.6
	>10 years	29	14.4	14.4	100.0
Category of workers					
Valid	Subordinate	127	62.6	62.6	62.6
	Middle level Manager	62	30.9	30.9	93.5
	Senior Manager	14	6.5	6.5	100.0
	Total	203	100.0	100.0	

Source: own survey SPSS V24 (2020)

Accordingly, Table 4.2 presents the age categories of respondents who took part in the completion of the questionnaire. Out of 203 respondents 87 (43.2%) were in the age category of 26-35 years. 67 (33.1%) were in the age group of 36-45 years. 21(10.1%) of the respondents are aged 18 -25 years old, while 19 (9.4%) are aged 46 to 54 years old. The rest 9 (4.2%) respondents are aged >55years old.

The table also shows that 156 (55.4%) of respondents are men, while 47 (44.6%) of the respondents are female. Sex distribution among the respondents who took part in the survey is almost representative to the total population. According to Defense Construction Enterprise (2020) the total population of employees is 431. Hence, in the

sample the sex categories of employees are almost proportionally approach to the true population of the sex groups i.e. 238 (M) and 193 (F).

In addition 85 (41.7%) of participants are tenured in Defense Construction Enterprise for 4 to 7 years. 41(20.1%) are also tenured in Defense Construction Enterprise for 1 to 3 years. On the other out of total 203 employees involved in this study of which 35 (17.3%) are having 8 to 10 years of service; while, 29 (14.4%) are tenured in Defense Construction Enterprise for more than 10 years.

The rest 13(6.5%) are with less than 1 year work experience. Relatively more than half of participants (73.4%) are tenured in Defense Construction Enterprise for more than 4years which in turn gave relatively better opportunity to elicit analyzable information and data on providing an insight in to the nature of employee turnover.

Regarding to managerial position out of 203 respondents 127 (62.6%) were subordinate; while, 62 (30.9%) were middle level manager. The rest 14 (6.5%) were senior manager. Managerial position among the respondents who took part in the survey is almost representative to the total population.

Hence, in the sample managerial position categories of employees are almost proportionally approach to the true population of the managerial positions i.e. 269 (subordinate), 134 (Middle level manager) and 28 (senior manager).

Relatively most of the responses about demographic variables more or less were proportionally approach to the true population of the study area which in turn gave relatively better opportunity to elicit analyzable information and data on assessing the causes and effects of employees' turnover in Defense Construction Enterprise.

4.3. Causes for Employee Turnover

4.3.1. Payment and Benefit

As part of descriptive survey the researcher contacted employees in Defense Construction Enterprise via questions with 5-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree) for specific details about employee opinions on issues related to payment and benefit & employee turnover. The table below presented surveyed results to the query.

Table 4. 3 Payment and benefit related issues (as the causes for employee turnover)

Irregularity in payment						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	SD	13	6.5	6.5	6.5	2
	D	126	61.9	61.9	68.4	
	N	27	13.7	13.7	82.1	
	A	29	14.4	14.4	96.5	
	SA	8	3.5	3.5	100.0	
Better pay elsewhere						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	SD	6	2.9	2.9	2.9	4
	D	76	37.4	37.4	40.3	
	N	4	2.2	2.2	42.5	
	A	86	42.4	42.4	84.9	
	SA	31	15.1	15.1	100.0	
Better increment practice elsewhere						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	SD	17	8.6	8.6	8.6	3
	D	25	12.1	12.1	20.7	
	N	77	38.1	38.1	58.8	
	A	71	35.3	35.3	94.1	
	SA	13	5.9	5.9	100.0	
Better benefit packages elsewhere						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	SD	13	6.5	6.5	6.5	3
	D	66	32.4	32.4	38.9	
	N	86	42.4	42.4	81.3	
	A	29	14.4	14.4	95.7	
	SA	9	4.3	4.3	100.0	
	Total	203	100.0	100.0		
Overall Median value						3

Source: own survey SPSS V24 (2020)

As the result demonstrated on the above table, irregularity in payment was not the cause for employee turnover in the enterprise. This is shown by 126 (61.9%) disagreement by respondents and median value of 2 demonstrates that. Meanwhile, in Defense Construction Enterprise better pay elsewhere was the reason for leaving the organization. This is shown by 86 (42.4%) agreement by respondents and median value of 4 demonstrates that. Document analysis on the compiled exit interview also strengthened this finding.

For instance, for the last five years during exit interview session different employee repeatedly explained this issue in part by saying that

I had left the office for the better pay elsewhere

The result obtained also complied with previous empirical studies. For instance, Wood and Macaulay (1991) pointed out previously that one of the most common reasons given by employees leaving their current employment is the availability of higher paying jobs. Manu et al. (2004) also argued that employees quit from organization due economic reasons (Smart & Chamberlain, 2017). Basically, most employees feel that they are worth more than they are actually paid and there is a natural disparity between what people think they should be paid and what organizations spend in compensation.

However, employees were not certain for the better increment practice elsewhere was the reason for leaving the organization. This is illustrated on the above table. 71 (35.3%) of the respondents were in the agreement level, while 25 (12.1%) were also disagree. 77 (38.1%) were neutral.

More over the median distribution of the response was found 3, which both value show the value of 'neutral'. In addition the employees are not certain for the enterprise is with better benefit packages. Literatures advised that inadequate benefit package is a driving force for the voluntary turnover (Deighan, 2016).

4.3.2. Working Environment

This study assessed employees' opinion on issues related to working environment & employee turnover. The table below presented surveyed results to the query.

Table 4. 4 Working environment related issues (as the causes for employee turnover)

Un-conductive work place culture						
		Frequen- cy	Percent	Valid Percent	Cumula- tive Per- cent	Median
Valid	SD	10	5.0	5.0	5.0	3
	D	61	30.2	30.2	35.2	
	N	78	38.8	38.8	74.0	
	A	48	23.7	23.7	97.7	
	SA	6	2.3	2.3	100.0	
Non-conductive working time						
Valid	SD	7	3.6	3.6	3.6	2
	D	111	54.7	54.7	58.3	
	N	45	22.3	22.3	80.6	
	A	36	18.0	18.0	98.6	
	SA	4	1.4	1.4	100.0	
Poor occupational health and safety condition						
Valid	SD	13	6.5	6.5	6.5	2
	D	92	45.3	45.3	51.8	
	N	48	23.7	23.7	75.5	
	A	47	23.0	23.0	98.5	
	SA	3	1.5	1.5	100.0	
In adequate office furniture and job related tools						
Valid	SD	23	11.5	11.5	11.5	3
	D	37	18.0	18.0	29.5	
	N	76	37.4	37.4	66.9	
	A	53	25.9	25.9	92.8	
	SA	14	7.2	7.2	100.0	
Discredit employee contribution						
Valid	SD	9	4.3	4.3	4.3	3
	D	54	26.6	26.6	30.9	
	N	61	30.2	30.2	61.1	
	A	60	29.5	29.5	90.6	
	SA	19	9.4	9.4	100.0	
Unclear path for advancement						
Valid	SD	10	5.0	5.0	5.0	3
	D	61	30.2	30.2	35.2	
	N	67	33.1	33.1	68.3	
	A	53	25.9	25.9	94.2	
	SA	12	5.8	5.8	100.0	
	Total		203	100.0	100.0	
Overall Median Value						3

Source: own survey SPSS V24 (2020)

Concerning of un-conductive work place culture as the cause for employee turnover 48 (23.7%) of the respondents were in the agreement level, while 78 (38.8%) were neutral

(Table4.4). More over the median distribution of the response was found 3, which both value show the value of ‘neutral’.

This implies the employees are not certain for the enterprise attempted to have work place culture that can be shared by all of them. Literatures also advised that if employees have many connection and links within their organizations culture they don’t want to lose or sacrifice those links and connections for unknown new job or for unfamiliar new environment; unless otherwise for the employees it is easy to join unknown new job (Henha, 2017).

Employees were not certain for ignoring employee contribution was the reason for leaving the organization. This is illustrated on the above table. 60 (29.5%) of the respondents were in the agreement level, while 54 (26.6%) were also disagree. 61 (30.2%) were neutral. More over the median distribution of the response was found 3, which both value show the value of ‘neutral’. In addition the employees are not certain for the enterprise is with better benefit packages.

Empirical literatures also supported this finding. For instance, Clausen et al. (2014) discovered issues surrounding management support wherein management did not let employees know how they were performing on the job. As a result, employees felt complacent and dissatisfied in their jobs and were more likely to quit (Deighan, 2016).

Thanacoody and Hui (2011) also found that employee turnover resulted from a lack of support by employers which led to disloyalty to the employer. Moreover, Borstorff and Marker (2007) also discovered a lack of support from management to be a predictor of employee turnover.

4.3.3. Training Opportunity

As part of descriptive survey the researcher contacted employees in Defense Construction Enterprise via questions with 5-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree) for specific details about employee opinions on issues related to training opportunity & employee turnover. The table below presented surveyed results to the query.

Table 4. 5 Training opportunity related issues (as the causes for employee turnover)

Lack of training need assessment						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	SD	9	5.0	5.0	5.0	3
	D	44	21.6	21.6	26.6	
	N	86	42.4	42.4	69.0	
	A	53	25.9	25.9	94.9	
	SA	11	5.1	5.1	100.0	
Lack of training as per the identified gap						
Valid	SD	9	4.3	4.3	4.3	3
	D	48	23.7	23.7	28.0	
	N	72	35.3	35.3	63.3	
	A	57	28.1	28.1	91.4	
	SA	17	8.6	8.6	100.0	
In ability of the provided training						
Valid	SD	16	7.2	7.2	7.2	3
	D	36	18.0	18.0	25.2	
	N	83	41.0	41.0	66.2	
	A	51	25.2	25.2	91.4	
	SA	17	8.6	8.6	100.0	
	Total	139	100.0	100.0		
Lack of evaluation on training effectiveness						
Valid	SD	5	2.2	2.2	2.2	3
	D	60	29.5	29.5	31.7	
	N	77	38.1	38.1	69.8	
	A	42	20.9	20.9	90.7	
	SA	19	9.3	9.3	100.0	
Lack of necessary trainings for employees' career development						
Valid	SD	10	5.0	5.0	5.0	3
	D	47	23.5	23.5	28.5	
	N	71	35.3	35.3	63.8	
	A	52	26.0	26.0	89.8	
	SA	21	10.2	10.2	100.0	
	Total	203	100.0	100.0		
Overall Median						3

Source: own survey SPSS V24 (2020)

As the result illustrated on the above table, Employees were not certain for the lack of training need assessment was the reason for leaving the enterprise. This is illustrated on the above table. 53 (25.9%) of the respondents were in the agreement level, while 86 (42.4%) were also neutral. More over the median distribution of the response was found

3, which both value show the value of ‘neutral’. In addition the employees are not certain for the enterprise is with better benefit packages. Taking ‘lack of training as per the identified gap’ as the reason for leaving the enterprise 57 (28.1%) of the respondents were in the agreement level, while 48 (23.7%) were disagree. 72 (35.3%) were also neutral. More over the median distribution of the response was found 3, which both value show the value of ‘neutral’. This implies the employees are not certain for the enterprise organized training as per the identified gap. Meanwhile, Carayon, Schoepke, Hoonakker, Haims, and Brunette (2006) recalled that employees who did not receive the opportunity to learn skills on the job were more likely to quit (Deighan, 2016).

4.3.4. Promotion Opportunity

This study assessed employees’ opinion on issues related to promotion opportunity & employee turnover. The table below presented surveyed results to the query.

Table 4. 6 Promotion opportunity related issues (as the causes for employee turnover)

Non transparency of promotion policies						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	SD	11	5.8	5.8	5.8	4
	D	53	25.9	25.9	31.7	
	N	28	13.7	13.7	45.4	
	A	95	46.8	46.8	92.2	
	SA	16	7.8	7.8	100.0	
Unstructured and unfair promotional procedures						
Valid	SD	6	2.9	2.9	2.9	4
	D	32	15.8	15.8	18.7	
	N	55	27.3	27.3	46.0	
	A	92	45.3	45.3	91.3	
	SA	18	8.7	8.7	100.0	
Un-openness about job vacancies						
Valid	SD	10	5.0	5.0	5.0	2
	D	103	51.1	51.1	56.1	
	N	21	10.1	10.1	66.2	
	A	57	28.1	28.1	94.3	
	SA	12	5.7	5.7	100.0	
Not merit based promotion						
Valid	SD	10	5.0	5.0	5.0	4
	D	51	25.2	25.2	30.2	
	N	38	18.7	18.7	48.9	
	A	85	41.7	41.7	90.6	
	SA	19	9.4	9.4	100.0	
	Total	203	100.0	100.0		
Overall Median						3

Source: own survey SPSS V24 (2020)

Non-transparency of promotion policies triggered employee turnover in Defense Construction Enterprise.

This is shown by 95 (46.8%) agreement by respondents and median value of 4 demonstrates that.

It implies the enterprise doesn't clearly communicate promotion policies to employees which results in employee turnover.

In addition 'un-structured and unfair promotional procedures' is the cause for employee turnover. This is shown by 92 (45.3%) agreement by respondents and median value of 4 demonstrates that.

It means the enterprise promotional procedures are not well structured and fairly applied which results in employee turnover.

In Defense Construction Enterprise the promotion was not merit based and it was also the cause for leaving the organization. This is shown by 85 (41.7%) agreement by respondents and median value of 2 demonstrates that.

Document analysis on the compiled exit interview also strengthened this finding. For instance, for the last five years during exit interview session different employee repeatedly explained this issue in part by saying that

I had left the office for the lack of merit based promotion

4.3.5. Availability of Job Security

This study surveyed employees' opinion about issues related to availability of job security & employee turnover. The table below presented surveyed results to the query.

Table 4. 7 Availability of job security (as the causes for employee turnover)

Lack of contract agreement reflecting the interest of employees and the enterprise						
		Fre- quency	Percent	Valid Percent	Cumula- tive Per- cent	Median
Valid	SD	13	6.5	6.5	6.5	2
	D	92	45.3	45.3	51.8	
	N	55	27.3	27.3	79.1	
	A	35	17.3	17.3	96.4	
	SA	8	3.6	3.6	100.0	
Arbitrary terminate employees						
Valid	SD	9	4.3	4.3	4.3	2
	D	99	48.9	48.9	53.2	
	N	51	25.2	25.2	78.4	
	A	37	18.0	18.0	96.4	
	SA	7	3.6	3.6	100.0	
Not strictly follow labor law						
Valid	SD	25	12.2	12.2	12.2	3
	D	57	28.1	28.1	40.3	
	N	68	33.8	33.8	74.1	
	A	41	20.1	20.1	94.2	
	SA	12	5.8	5.8	100.0	
Unfair work rules and regulation						
Valid	SD	10	4.3	4.3	4.3	3
	D	46	23.0	23.0	27.3	
	N	65	32.4	32.4	59.7	
	A	63	30.9	30.9	90.6	
	SA	19	9.4	9.4	100.0	
Unsafe and insecure						
Valid	SD	21	10.1	10.1	10.1	3
	D	17	8.6	8.6	18.7	
	N	74	36.7	36.7	55.4	
	A	70	34.5	34.5	89.9	
	SA	21	10.1	10.1	100.0	
	Total	203	100.0	100.0		
Over all Median						3

Source: own survey SPSS V24 (2020)

Employees were not certain for not strictly follow labor law was the reason for leaving the enterprise. This is illustrated on the above table. 41 (20.1%) of the respondents were

in the agreement level, while 57 (28.1%) were disagree. 68 (33.8%) were also neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. In addition the employees are not certain for the enterprise is with better benefit packages.

Taking 'unfair work rules and regulation' as the reason for leaving the enterprise 63 (30.9%) of the respondents were in the agreement level, while 46 (23.0%) were disagree. 65 (32.4%) were also neutral.

More over the median distribution of the response was found 3, which both value show the value of 'neutral'. This implies the employees are not certain for the enterprise work rules and regulations are fairly practiced.

4.3.6. Relationship between Employee and Supervisor

As part of descriptive survey the researcher contacted employees in Defense Construction Enterprise via questions with 5-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree) for specific details about employee opinions on issues related to relationship between employee and supervisor & employee turnover. The table below presented surveyed results to the query.

Table 4. 8 Relationship between employee and supervisor related issues (as the causes for employee turnover

Supervisors un-openness for discussion						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	SD	9	3.6	3.6	3.6	3
	D	58	28.8	28.8	32.4	
	N	83	41.0	41.0	73.4	
	A	43	21.6	21.6	95.0	
	SA	10	5.0	5.0	100.0	
Lack of supervisors commitment for recognizing employees success						
Valid	SD	2	.7	.7	.7	3
	D	45	22.3	22.3	23.0	
	N	80	39.6	39.6	62.6	
	A	63	30.9	30.9	93.5	
	SA	13	6.5	6.5	100.0	
Negligence of supervisors for the employees to be well informed on work and organizational issues						
Valid	SD	8	4.3	4.3	4.3	3
	D	57	28.1	28.1	32.4	
	N	69	33.8	33.8	66.2	
	A	57	28.1	28.1	94.3	
	SA	12	5.8	5.8	100.0	
Unwillingness of supervisors to employees' job autonomy						
Valid	SD	3	1.4	1.4	1.4	3
	D	60	29.5	29.5	30.9	
	N	74	36.4	36.4	67.3	
	A	57	28.1	28.1	95.4	
	SA	9	4.6	4.6	100.0	
Lack of frequent discussion						
Valid	SD	6	2.2	2.2	2.2	3
	D	64	31.7	31.7	33.9	
	N	77	38.1	38.1	72.0	
	A	39	19.4	19.4	91.4	
	SA	17	8.6	8.6	100.0	
	Total	203	100.0	100.0		
Overall Median						

Source: own survey SPSS V24 (2020)

Employees were not certain for the unwillingness of supervisors to employees' job autonomy was the cause for employee turnover in the enterprise. This is illustrated on the above table. 57 (28.1%) of the respondents were in the agreement level, while 60 (29.5%) were disagree. 74 (36.4%) were neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. In addition taking 'negligence of supervisors for the employees to be well informed on work and organizational issues' as the reason for leaving the enterprise 57 (28.1%) of the respondents were in the agreement level, while 57 (28.1%) were disagree. 69 (33.8%) were also neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. This implies the employees are not certain for supervisors keep employees well informed on work and organizational issues. On the contrary theories recalls that there are two types of motivation as originally identified which are: Intrinsic motivation: – the self-generated factors that influence people to behave in a particular way or to move in a particular direction. These factors include responsibility (feeling that the work is important and having control over one's own resources), autonomy (freedom to act), scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement (Aman, 2015). Motivation theory also describes what organizations can do to encourage employees to apply their efforts and abilities in ways that will further the achievement of the organization's goals as well as satisfying their own needs. It is also concerned with job satisfaction the factors that create it and its impact on performance.

4.3.7. Employee Performance Appraisal

This study surveyed employees' opinion about issues related to employee performance appraisal & employee turnover. The table below presented surveyed results to the query.

Table4. 9.Employee performance appraisal (as the causes for employee turnover)

Not clearly communicate performance standards and expectations						
		Frequen- cy	Percent	Valid Percent	Cumula- tive Per- cent	Median
Valid	SD	5	2.1	2.1	2.1	3
	D	67	33.1	33.1	35.2	
	N	73	36.0	36.0	71.2	
	A	45	22.3	22.3	93.5	
	SA	13	6.5	6.5	100.0	
Unfairly measure job performance						
Valid	SD	5	2.2	2.2	2.2	3
	D	61	30.2	30.2	32.4	
	N	80	39.6	39.6	72.0	
	A	45	22.3	22.3	94.3	
	SA	12	5.7	5.7	100.0	
Lack of timely feedback						
Valid	SD	5	2.9	2.9	2.9	4
	D	66	32.4	32.4	35.3	
	N	26	12.9	12.9	48.2	
	A	91	44.6	44.6	92.8	
	SA	15	7.2	7.2	100.0	
Reluctant to take corrective action						
Valid	SD	15	7.2	7.2	7.2	3
	D	58	28.8	28.8	36.0	
	N	86	42.4	42.4	78.4	
	A	39	19.4	19.4	97.8	
	SA	5	2.2	2.2	100.0	
	Total	203	100.0	100.0		
Overall Median						3

Source: own survey SPSS V24 (2020)

Lack of timely feedback was the reason for employee turnover in Defense Construction Enterprise. This is shown by 91 (44.6%) agreement by respondents and median value of 4 demonstrates that.

4.4. Effects of Employee Turnover

As part of descriptive survey the researcher contacted employees in Defense Construction Enterprise via questions with 5-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree) for specific details about employee opinions on the effect of employee turnover. The table below presented surveyed results to the query.

Table 4. 10 Effects of employee turnover

Enterprise work load						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	D	28	13.7	13.7	13.7	4
	N	55	27.3	27.3	41.0	
	A	98	48.2	48.2	89.2	
	SA	22	10.8	10.8	100.0	
Increase in hiring and training cost						
Valid	SD	9	4.4	4.4	4.4	4
	D	32	15.8	15.8	20.2	
	N	41	20.1	20.1	40.3	
	A	86	42.4	42.4	82.7	
	SA	35	17.3	17.3	100	
Decrease in productivity/service						
Valid	SD	15	.7	.7	.7	4
	D	16	7.9	7.9	8.6	
	N	60	29.5	29.5	38.1	
	A	82	46.8	46.8	84.9	
	SA	30	15.1	15.1	100.0	
management inefficiency						
Valid	D	27	13.7	13.7	13.7	4
	N	38	18.7	18.7	32.4	
	A	91	44.6	44.6	77.0	
	SA	47	23.0	23.0	100.0	
Customer dissatisfaction						
Valid	SD	4	2.2	2.2	2.2	4
	D	22	10.8	10.8	12.9	
	N	35	17.3	17.3	30.2	
	A	98	48.2	48.2	78.4	
	SA	44	21.6	21.6	100.0	
	Total	203	100.0	100.0		
Overall Median						4

Source: own survey SPSS V24 (2020)

As the result demonstrated on the above table, in Defense Construction Enterprise employee turnover results in enterprise work load. This is shown by 98 (48.2%) agreement by respondents and median value of 4 demonstrates that. Previous empirical literatures supported this finding.

For instance, Thomas (2013) suggested that managers ‘quickly get frustrated with the constantly revolving of employees. In addition employees contribute to longer term employees getting upset and leaving (Shahrouzifarda & Farajib, 2015). Moreover, the

scholar suggested that the employee turnover in their company leads to increased work load.

In addition in Defense Construction Enterprise employee turnover results in decrease in productivity. This is shown by 86 (42.4%) agreement by respondents and median value of 4 demonstrates that. This finding complied with the previous studies. For instance, productivity of an organization depends on the skills or expertise of its workforce. A skilled worker may be an asset for any organization.

If a skilled person leaves an organization the effects will be very high where as in case of a semiskilled or un-skilled person the effect will be less. As a result, a vacant place of a skill labor may be filled by another new worker but production falls due to their skill difference.

On the other hand, five or six semi-skilled or unskilled labor may be turnover but those empty places can be filled by one or two skilled labors (Shahrouzifarda & Farajib, 2015). It is therefore, crucial to maintain a constant.

4.5. Mechanisms to Reduce Employee Turnover

This study surveyed employees' opinion about issues related to mechanisms so far executed by the enterprise to reduce employee turnover. The table below presented surveyed results to the query.

Table 4. 11 Mechanisms to Reduce Employee Turnover

frequently revises salaries and benefit packages						
		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	SD	22	10.8	10.8	10.8	4
	D	64	31.7	31.7	42.5	
	N	15	7.2	7.2	49.7	
	A	67	33.1	33.1	82.8	
	SA	35	17.2	17.2	100.0	
Practice job focused employees empowerment						
Valid	SD	23	10.8	10.8	10.8	3
	D	57	28.1	28.1	38.9	
	N	28	13.7	13.7	52.6	
	A	62	30.9	30.9	83.5	
	SA	33	16.5	16.5	100.0	
Assign the right person on the right job						
Valid	SD	14	6.5	6.5	6.5	4
	D	48	23.7	23.7	30.2	
	N	39	19.4	19.4	49.6	
	A	70	34.5	34.5	84.1	
	SA	32	15.9	15.9	100.0	
Invest in employees' training and development program						
Valid	SD	4	2.2	2.2	2.2	4
	D	63	30.9	30.9	33.1	
	N	22	10.8	10.8	43.9	
	A	85	41.7	41.7	85.6	
	SA	29	14.4	14.4	100.0	
Make flexible working arrangement						
Valid	SD	3	1.4	1.4	1.4	4
	D	63	30.9	30.9	32.4	
	N	32	15.8	15.8	48.2	
	A	72	35.3	35.3	83.5	
	SA	33	16.5	16.5	100.0	
	Total	203	100.0	100.0		
Overall Median						4

Source: own survey SPSS V24 (2020)

Revising salaries and benefit packages frequently is taken in to consideration to reduce employee turnover. This is shown by 67 (33.1%) agreement by respondents and median value of 4 demonstrates that. Previous empirical literatures supported this finding.

For instance, Lambert, Griffin, Hogan, and Kelley (2014) claimed that affective commitment (emotional attachment) has the largest effect on reducing employee turnover (Deighan, 2016).

De On the other Geiter and Hofmans (2015) revealed that turnover is often influenced by reward packages. Employees value rewards such as income bonuses and other additional financial remuneration. Likewise, the Society for Human Resource Management (2014) claimed that compensation is the most vital factor for worker satisfaction and for reducing employee turnover.

On the other distributive justice, the extent to which rewards and punishments are related to job performance and fairness in the allocation of outcomes such as pay and promotions were reported to be critical to employees' retention (John, 2016).

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents findings, conclusion and some relevant recommendations to practice as well as for future researchers based on objective of the study mentioned in Chapter One.

5.1 Summary of Major Findings

Based on analyses of collected data the major findings are summarized as follows:-

- ✚ Irregularity in payment was not the cause for employee turnover in the enterprise. This is shown by 126 (61.9%) disagreement by respondents and median value of 2 demonstrates that. Meanwhile, in Defense Construction Enterprise better pay elsewhere was the reason for leaving the organization. This is shown by 86 (42.4%) agreement by respondents and median value of 4 demonstrates that. Document analysis on the compiled exit interview also strengthened this finding. For instance, for the last five years during exit interview session different employee repeatedly explained this issue in part by saying that ‘I had left the office for the better pay elsewhere’
- ✚ However, employees were not certain for the better increment practice elsewhere was the reason for leaving the organization. This is illustrated on the above table. 71 (35.3%) of the respondents were in the agreement level, while 25 (12.1%) were also disagree. 77 (38.1%) were neutral. More over the median distribution of the response was found 3, which both value show the value of ‘neutral’. In addition the employees are not certain for the enterprise is with better benefit packages.
- ✚ Concerning of un-conducive work place culture as the cause for employee turnover 48 (23.7%) of the respondents were in the agreement level, while 78 (38.8%) were neutral (Table4.4). More over the median distribution of the response was found 3, which both value show the value of ‘neutral’. This implies the employees are not certain for the enterprise attempted to have work place culture that can be shared by all of them.
- ✚ Employees were not certain for ignoring employee contribution was the reason for leaving the organization. This is illustrated on the above table. 60 (29.5%) of the respondents were in the agreement level, while 54 (26.6%) were also disa-

gree. 61 (30.2%) were neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. In addition the employees are not certain for the enterprise is with better benefit packages.

- ✚ Employees were not certain for the lack of training need assessment was the reason for leaving the enterprise. This is illustrated on the above table. 53 (25.9%) of the respondents were in the agreement level, while 86 (42.4%) were also neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. In addition the employees are not certain for the enterprise is with better benefit packages.
- ✚ Taking 'lack of training as per the identified gap' as the reason for leaving the enterprise 57 (28.1%) of the respondents were in the agreement level, while 48 (23.7%) were disagree. 72 (35.3%) were also neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. This implies the employees are not certain for the enterprise organized training as per the identified gap.
- ✚ Non-transparency of promotion policies triggered employee turnover in Defense Construction Enterprise. This is shown by 95 (46.8%) agreement by respondents and median value of 4 demonstrates that. It implies the enterprise doesn't clearly communicate promotion policies to employees which results in employee turnover.
- ✚ In addition 'un- structured and unfair promotional procedures' is the cause for employee turnover. This is shown by 92 (45.3%) agreement by respondents and median value of 4 demonstrates that. It means the enterprise promotional procedures are not well structured and fairly applied which results in employee turnover.
- ✚ In Defense Construction Enterprise the promotion was not merit based and it was also the cause for leaving the organization. This is shown by 85 (41.7%) agreement by respondents and median value of 2 demonstrates that. Document analysis on the compiled exit interview also strengthened this finding. For instance, for the last five years during exit interview session different employee repeatedly explained this issue in part by saying that 'I had left the office for the lack of merit based promotion'
- ✚ Employees were not certain for not strictly follow labor law was the reason for leaving the enterprise. This is illustrated on the above table. 41 (20.1%) of the

respondents were in the agreement level, while 57 (28.1%) were disagree. 68 (33.8%) were also neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. In addition the employees are not certain for the enterprise is with better benefit packages.

✚ Taking 'unfair work rules and regulation' as the reason for leaving the enterprise 63 (30.9%) of the respondents were in the agreement level, while 46 (23.0%) were disagree. 65 (32.4%) were also neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. This implies the employees are not certain for the enterprise work rules and regulations are fairly practiced.

✚ Employees were not certain for the unwillingness of supervisors to employees' job autonomy was the cause for employee turnover in the enterprise. This is illustrated on the above table. 57 (28.1%) of the respondents were in the agreement level, while 60 (29.5%) were disagree. 74 (36.4%) were neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. In addition taking 'negligence of supervisors for the employees to be well informed on work and organizational issues' as the reason for leaving the enterprise 57 (28.1%) of the respondents were in the agreement level, while 57 (28.1%) were disagree. 69 (33.8%) were also neutral. More over the median distribution of the response was found 3, which both value show the value of 'neutral'. This implies the employees are not certain for supervisors keep employees well informed on work and organizational issues.

✚ Lack of timely feedback was the reason for employee turnover in Defense Construction Enterprise. This is shown by 91 (44.6%) agreement by respondents and median value of 4 demonstrates that. in Defense Construction Enterprise employee turnover results in enterprise work load. This is shown by 98 (48.2%) agreement by respondents and median value of 4 demonstrates that.

✚ In addition in Defense Construction Enterprise employee turnover results in decrease in productivity. This is shown by 82(46.8%) agreement by respondents and median value of 4 demonstrates that. This finding complied with the previous studies. For instance, productivity of an organization depends on the skills or expertise of its workforce. A skilled worker may be an asset for any organization.

- ✚ Revising salaries and benefit packages frequently is taken in to consideration to reduce employee turnover. This is shown by 67 (33.1%) agreement by respondents and median value of 4 demonstrates that. Previous empirical literatures supported this finding.

5.2. Conclusions

This research work is an attempt to describe the actual rate of employee turnover and more especially, the sources - what determines employee turnover and its causes including the mechanism so far executed to reduce employee turnover. The study was conducted by drawing a sample of 203 employees from the departments of Defense Construction Enterprise. Relying on existing literature; variables were considered and offered to respondents in form of a closed ended questionnaire to mark their responses on a five point Likert scale.

The collected data was analyzed with the help of statistical package for social science (SPSS version 24). Based on the aforementioned findings the study led accordingly, the following conclusions are made:-

- ✚ Better pay elsewhere, non-transparency of promotion policies and not merit based promotion are the major causes of employee turnover in Defense Construction Enterprise. In addition as the result of employee turnover the enterprise exposed to work load and decrease in productivity. So far the organization has used revising salaries and benefit packages to reduce employee turnover.
- ✚ The salary, compensation system and benefit packages of the enterprise are not attractive. Hence, most of the employees left the enterprise, when they get better offer by the same competitors.
- ✚ Employees are not appreciated at work.
- ✚ In the enterprise career planning and growth opportunities are not based on merit. Hence, some of the employees are leaving the enterprise and others are looking for outside opportunities.
- ✚ The enterprise does not provide adequate training opportunities for career development and also trainings in the enterprise are not well organized.
- ✚ Employees are not secured in their job.
- ✚ Employee promotion is not fair.
- ✚ There is unfair employee handling in the enterprise.

- ✚ The employer-employee relationship in the enterprise is not good. Besides, supervisors and employee do not have good relationships.

5.3. Recommendations

Based on the findings and conclusions of the study, the researcher forwards the following recommendations to the management of Defense Construction Enterprise and other researchers.

- ✚ The enterprise needs further to improve payment and benefits and also needs to transparent its promotion policy.
- ✚ The enterprise has made the employees to complete exit interview format; meanwhile, it was too late to give response based on the information attached on the exit interview. So, it is better for the enterprise to use the feedback from the exit interview as tool to design the mechanism for reducing employee turnover.
- ✚ In the process of performance appraisal the enterprise needs also to communicate performance standards and expectations clearly.
- ✚ The enterprise should have a fairly measure job performance and timely feedback.
- ✚ Supervisors need to be open for discussion. They should also have frequent discussion with their subordinates.
- ✚ It is better for the enterprise to establish job pay performance including incentives.
- ✚ The management of the enterprise should properly treat the employees.
- ✚ The enterprise should work on providing all required comfort and ease to perform the job to the employees to retain its qualified and experienced employees.
- ✚ If the enterprise doesn't offer good salaries and benefit packages, employees tend to hunt for jobs that pay them considerably well. In order to resolve this problem, the enterprise is needed to have a compensation policy that is merit-based.
- ✚ If possible, it is strongly recommended to be the leading in salary paying against current market scales in the construction industry.
- ✚ Advancement and promotion are the prime reason why many employees leave the company. Due to no potential opportunity for advancements or promotions,

employees prefer other companies which may provide them with higher posts and increased compensation packages. So, career development is the most important reason since offering good opportunities for career development not only prevents employees from leaving the enterprise but it also contributes in a positive way to their loyalty to the enterprise.

- ✚ The HR managers must also put more efforts in retention policies relating to the relationship between managers and supervisors with their subordinates, working environment and job content.
- ✚ Besides, the enterprise should try to maximize opportunities for individual employees to develop their skills and move on in their careers.
- ✚ Employees who are made to feel that their jobs are precarious 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 employees. So, the enterprise should have mechanisms for the employees to be secured in their job.
- ✚ The enterprise need to evaluate and modify its promotion policies in a fair way which would enable promotions for candidates only on the basis of employee performance.
- ✚ The enterprise has to consider capacity building training for its staffs as much as possible to decrease employee turnover.
- ✚ The manager and supervisors of the enterprise need to show their appreciation to employees.
- ✚ Besides, the enterprise ought to implement more aggressive reward and recognition programs for well performed employees.

5.4. Suggestion for further Study/research

Since this research is only limited to Defense Construction Enterprise and researchers in the future can use it as a reference material to do similar study. However, further research should also be conducted using large sample data to pin out the exact causes and effects of employee turnover in Defense Construction Enterprise and other similar enterprises.

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APPENDIX I: Questionnaires



St. Mary's University
School of Graduate Studies
School of Business

Questionnaire to be filled by the Enterprise Employees

Dear Respondents!

This questionnaire's developed to collect data for a research entitled "**An Assessment of the Causes and Effects of Employees' Turnover at Defense Construction Enterprise**". The data you are going to provide have significant value in achieving the research objective. Your genuine response is; therefore, determine the success of the research. There are no negative risks for participating in this survey and the confidentiality of provided data are highly maintained. The collected data are used only for academic purpose.

You are not expected to write your name.

Thanks!

Please, fill free to contact me for further information at any time through;

Tel. 0935-31-69-32

Abraham Aregay

Email: abrahamaregay86@gmail.com

Thank you again in advance for your cooperation.

PART I. Demographic Characteristics of the Employees

Please tick (✓) in the boxes applicable to you.

1. Gender: - Male Female

2. Age group: - 18-25 26-35 36-45 46-55 above 55

3. Educational Level:-

High School Diploma Degree MA above

4. Service year at the current job: - <1 year 1 to 3 years 4 to 7 years 8 to 10 >10 years

5. Category of workers:-

Senior Managers Middle level managers Subordinates

Part II: Opinion on Issues related to Causes of Employee Turnover

The following statements in the tables relate to your feelings about Causes of Employee Turnover. Please show by putting a tick mark (✓) your level of agreement using the rating scale below

1=Strongly Disagree (SD); 2= Disagree (D); 3= Neutral (N);4= Agree (A) and 5=Strongly Agree (SA).

Payment and Benefit

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	There is regularity payment in the organization					
2	The enterprise salary is equivalent as compared to employee's performance					
3	The salary incremental practice of the enterprise motivates employees to work hard					
4	The enterprise benefit package such as medical, transport, housing allowances are equitable compared to similar enterprises.					

Working Environment

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	The enterprise makes effort to work place culture that can be shared by all its employees					
2	The enterprise working time is conducive for employees to effectively perform their works					
3	The occupational health and safety condition are encouraging to perform well					
4	Office furniture and job related tools are adequately provided					
5	The enterprise recognizes employees for their contribution					
6	The enterprise has provided a clear path for advancement					

Training Opportunity

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
	The enterprise conduct training need assessment to identify employees' performance gap					
2	The enterprise organizes training as per the identified gap					
3	The provided training develops trainee's ability to improve their future performance					
4	The training effectiveness is evaluated on the job					
5	The enterprise organizes training which are useful for employees' career development					

Promotion Opportunity

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	The enterprise clearly communicates promotion policies to employees					
2	The enterprise promotional procedures are well structured and fairly applied					
3	The enterprise considers all employees within the enterprise and announces job vacancies internally					
4	The enterprise practices merit based promotion in recognition of good performer					

Availability of Job Security

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	The contract agreement reflects both the interest of employees and the enterprise					
2	The enterprise does not arbitrary terminate employees job apart from employment contract					
3	Labor law is strictly followed in the enterprise					
4	The enterprise work rules and regulation are fairly practiced					
5	The enterprise makes its employees to feel safe and secure					

Relationship between Employee and Supervisor

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	Supervisors keep their doors open to mutually discuss employee job related problems					
2	Supervisors are devoted in recognizing for employees success on their job					
3	Supervisors keep employees well informed on work and organizational issues					
4	Supervisors allow enough autonomy in employees' job					
5	Supervisors have a discussion to employees with the same frequency					

Employee Performance Appraisal

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	Supervisors clearly communicate performance standards and expectations to their employees					
2	Supervisors fairly measure employees' actual job performance based on the set standards					
3	Supervisors provide timely feedback regarding the appraisal result					
4	Supervisors take corrective action to improve employees' performance					

Part III: Opinion on Issues related to the Effect of Employee Turnover

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	When employees leave the enterprise work load of the existing employees increase					
2	Employees turnover increased hiring and training cost					
3	High turnover decreased the enterprise productivity/service					
4	High employee turnover results in the enterprise management inefficiency					
5	High employees' turnover results in creating customer dissatisfaction					

Part V: Mechanisms to reduce employee turnover

Please Tick (✓) one in the space provided in sequence of your priority

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	The enterprise frequently re-vises salaries and benefit packages					
2	The enterprise practices job focused employees empowerment					
3	The enterprise assigns the right person on the right job					
4	The enterprise invests in employees' training and development program					
5	The enterprise makes flexible working arrangement					

Thank you again in advance for your cooperation.

APPENDIX II: Exit Interview

በመከላከያ ኮንስትራክሽን ኢንተርፕራይዝ

በገዛ ፈቃዳቸው ከሥራ በሚለቁ ሠራተኞች

የሚሞላ መጠይቅ

ማሳሰቢያ:-

ይህ መጠይቅ ለወደፊት ሥራ መሻሻል የሚያግዝ መረጃ ማሳሰቢያ ስለሆነ በኃቀኝነት እና በትክክል እንዲሞላ ያስፈልጋል።

በመጠይቁ ላይ የሚሰፍረው መረጃ በሚመለከተው የሥራ ክፍል በሚሰጥ የሚጠበቅ እና አገልግሎቱም እንዳይቀር በሥርዓቱ የሚወገድ ይሆናል።

መጠይቁን መሙላት ከመጀመርዎ በፊት በሙሉ አንድ ጊዜ ቢያነቡት ይመረጣል።

1. የመሥሪያ ቤቱ ስም _____
2. የሠራተኛው/ዋ ስም ከነአባት _____
3. የሥራ መደብ መጠሪያ _____
4. የሥራ ክፍል _____
5. በመሰሪያ ቤቱ ውስጥ ይሰሩ በነበረበት ወቅት ወደፊት መሻሻል አለበት ብለው ከሚያምኑባቸው አስቸጋሪ ሁኔታዎች ውስጥ ዋና ዋናዎቹ ምንድን ናቸው?
ሀ. -----
ለ. -----
ሐ. -----
6. በመ/ቤቱ ውስጥ በነበሩበት ወቅት ጠንካራ ናቸው ወደፊትም ተጠናክረው መቀጠል አለባቸው ከሚሏቸው ነገሮች ዋና ዋናዎቹ ምንድን ናቸው?
ሀ. -----
ለ. -----
ሐ. -----
7. በገዛ ፈቃድዎ ሥራ የለቀቁበት ምክንያቶች ምንድን ናቸው?
ሀ. -----
ለ. -----
ሐ. -----
8. ከሥራዎ በመነጨ ህመም ወይም ጉዳት ምክንያት የደረሱበዎ ችግር አለ? ምልክት በማስቀመጥ ይግለጹ የለም _____ አለ
- 8.1. የደረሱበዎ ያለ ህመም ወይም የጉዳት ችግር ካለ ያብራሩ፤

9. ሥራ የለቀቁበትን ምክንያት በትክክል ለመሙላት ፈቃደኛ የማይሆኑባቸው ሁኔታዎች ካሉ፤

ሀ. ዋናዋና ምክንያቶቹን በአጭሩ ይግለጹ፤

ለ. ሥራ የለቀቁበትን ምክንያት በምን ሌላ መንገድ ለመግለጽ ይሞክሩ?

ፊርማ _____ ቀን _____ ዓ.ም

ስለ መልካም ፈቃድዎ እናመሰግናለን!

Declaration

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

Abraham Aregay

Name

Signature

St. Mary's University, Addis Ababa

January, 2021

Endorsement

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

Shoa Jemal (Asst. Prof.)

Advisor

Signature

St. Mary's University, Addis Ababa

January, 2021