



ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES

AN ASSESSMENT OF FACTORS AFFECTING EMPLOYEE TURNOVER  
INTENTION: THE CASE OF HEINEKEN ETHIOPIA BREWERY S.C

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## ENDORSEMENT

I hereby confirm that the thesis entitled “An Assessment of Factors Affecting Employee Turnover Intension: in the Case of Heineken Ethiopia Brewery S.C” is prepared by Hana Mesele under my guidance and satisfies the requirements for oral defense.

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A small, square image showing a handwritten signature in blue ink on a light-colored background. The signature is stylized and appears to be the name of the advisor, Tewodros Mekonnen.

Date: June 9/2024

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## *ABSTRACT*

*The objective of this research is to find out the main factors affecting employee turnover intention in Heineken Ethiopia Brewery S.C. This study uses a mixed method design that utilizes both quantitative and qualitative data collection techniques. Questionnaires and interviews were used to gather data from employees at Heineken Ethiopia Brewery S.C. Both primary and secondary sources of data were used. Probabilistic and non-probabilistic sampling techniques are also employed. 284 sample responses were participated in the study. The findings of the study indicate that employee dissatisfaction with how the company addresses their concerns and communicates about its retention plans, minimal involvement by staff on matters relating to retention, lack of awareness of some of the initiatives taken by the company to enhance the work environment, and overall dissatisfaction in general about how effectively employees feel that the present retention strategies are operating are major factors affecting employee turnover intention. The company, on the other hand uses Performance-based rewards, Training and development programs, and Flexible work arrangement strategies to control employee turnover. The strategies used by the company have medium effectiveness in terms of controlling employee turnover. On this ground, the study recommends that the company should evaluate and improve its retention programs, promote transparency in communication, increase employee involvement, reconsider remuneration and benefits packages provided, create a conducive working environment for employees, put in place a strong system of giving feedback to all workers and periodically update and evaluate their retention strategies.*

*Keywords: Employee Turnover Intention, Retention Strategies, Job Satisfaction, Organizational Commitment, Heineken Ethiopia Brewery S.C..*

# TABLE OF CONTENTS

ENDORSEMENT .....	ii
ACKNOWLEDGMENTS.....	iii
<i>Abstract</i> .....	iv
Table of Contents .....	v
LIST OF ACRONYMS/ ABBREVIATIONS .....	ix
LIST OF TABLES .....	x
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2. Background of the Organization .....	2
1.3. Statement of the Problem.....	3
1.4. Objective of the study .....	4
1.4.1 General Objective .....	4
1.4.2 Specific Objectives .....	4
1.4.3 Research Questions .....	4
1.5. Significance of the Study .....	5
1.6. Scope of the Study .....	6
1.7. Definition of Key Terms .....	6
1.8. Limitations of the study .....	7

1.10. Organization of the Study .....	8
CHAPTER TWO.....	9
LITERATURE REVIEW .....	9
2.1 Theoretical Literature Review .....	9
2.1.1 Concept of employee turnover .....	9
2.1.2 Types of employee turnover .....	10
2.1.2.1 Voluntary and involuntary employee turnover .....	10
2.1.2.2 Functional and Dysfunctional employee turnover .....	11
2.1.2.3 Avoidable and Unavoidable Employee Turnover.....	11
2.1.3 Concept of Intention to Turnover.....	12
2.1.4 Causes and factors of employee turnover .....	12
2.1.4.1 Job-related factors .....	12
2.1.4.2 Organizational factors .....	13
2.1.4.3 Individual factors .....	14
2.1.5 Effects of Turnover .....	15
2.1.5.1 Financial Implications.....	15
2.1.5.2 Workforce Morale and Productivity .....	16
2.1.5.3 Long-Term Impact on Business Growth and Sustainability:.....	17
2.1.6 Strategies to mitigate employee turnover.....	17
2.2 Empirical Review.....	19
2.3 Measuring employee turnover rate .....	25

2.4. Research Gaps.....	26
CHAPTER THREE.....	27
RESEARCH METHODOLOGY .....	27
3.1 Research Approach: Mixed Method .....	27
3.2 Research Design: Concurrent Design .....	27
3.3 Population and Sampling .....	28
3.3.1 Sample size .....	28
3.4 Data Source and Data Type .....	29
3.5 Data Collection Technique.....	30
3.6 Validity and Reliability of Data Collection Technique (DCT).....	30
3.7 Methods of Data Analysis.....	31
3.8 Ethical Considerations of the Study.....	31
CHAPTER FOUR .....	33
DATA ANALYSIS AND INTERPRETATION .....	33
4.1. Introduction .....	33
4.2. Demographic Profile of Respondents.....	33
4.3.1 Cronbach’s Alpha Reliability.....	35
4.3.2 Factors Affecting Employee Turnover Intention .....	36
4.3.3 Evaluation of current practices of Strategies at Heineken Brewery .....	39
4.3.4. Effectiveness of the existing strategies at Heineken Brewery .....	44
CHAPTER FIVE.....	50

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS .....	50
5.1 Summary of major findings.....	50
5.1.1 Factors Affecting Employee Turnover Intention: .....	50
5.1.2 Evaluation of current practices of Strategies at Heineken Brewery .....	51
5.1.3 Effectiveness of the existing strategies at Heineken Brewery .....	52
5.2 Conclusions .....	54
5.3 Recommendations .....	54
References .....	57
Appendix 1 .....	63

## LIST OF ACRONYMS/ ABBREVIATIONS

DCT: Data Collection Technique

S.C.: Share Company

## LIST OF TABLES

Table 3.1 Number of Employees .....	29
Table 4.1 Participant's Socioeconomic Profile .....	33
Table 4.2 Factors Affecting Employee Turnover Intention.....	36
Table 4.3 Evaluation of Current Practices of Strategies .....	39
Table 4.4 Effectiveness of Existing Strategies.....	44
Table 4.5 Effectiveness of the Existing strategies in minimizing turnover and retaining employees .....	46
Table 4.6 Significance of the impact of work-life balance on employee turnover intention .....	48
Table 4.7 Importance of competitive compensation and benefits packages in retaining employees .....	48



# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

Employee engagement and commitment to the organization have long been recognized as essential factors for achieving competitive advantages, such as higher productivity and lower employee turnover (Vance, 2006). When employees feel emotionally attached to the company and have a sense of belongingness, their intention to leave the organization decreases. However, despite the positive effects of employee engagement, several factors can contribute to high turnover rates. These factors may include employees feeling overworked, a lack of adequate professional advancement opportunities, and insufficient compensation and benefits offered by the organization (Holmes et.al, 2021).

The total number of employees that depart an organization during a given time frame is referred to as employee turnover. It includes both voluntary and involuntary turnover, such as workers who are let go or fired. Turnover counts the number of employees who depart an organization within a predetermined time frame. Everyone who leaves the company, for any reason, is considered a separated person. Most studies of the causes of high voluntary turnover agree that more money and time off, better benefits, a promotion, and the prospect of a more supportive boss are the Top 5 reasons good employees decamp to new positions (Holliday, 2021).

The amount of team members that willingly depart an organization, either soon after being employed or later in their career, is referred to as employee turnover. This measure is used to gauge how happy and satisfied employees are with their jobs as well as how well the organization achieves work-life balance.

According to Alkahtani, (2015) there are several reasons why turnover takes place. These reasons may range from external environmental variables such as economy that affects the business that in turn shapes the employment levels to organizational factors including types of industry, types of occupation, size of organization, payment, supervisory levels, locations, selection processes, work environment, work assignments, benefits, and promotions. The other variables that affect

employee turnover in organizations involve the individual's work variables such as integrative variables like job satisfaction, pay, promotion, and working conditions, and the individual's non-working factors such as family-related factors.

For an organization to be successful, it must continuously ensure the satisfaction of their employees (Berry, 1997). Organizations with more satisfied employees tend to be more effective; happy workers are more likely to be productive workers. Job satisfaction can be used to predict turnover. (Robbins, 2007).

Turnover intention is an instant ancestor to actual turnover. (Johnston, 1988), Understanding the causes of turnover intention is crucial for organizations, as it helps identify areas for improvement and develop effective strategies to retain valuable employees. Therefore, the goal of this study is to determine the underlying factors that contribute to workers' intentions to quit at Heineken Ethiopia Brewery S.C. By carrying out the study in the organization, the goal is to offer insightful information about the elements influencing turnover intention and support the creation of practical solutions to this problem.

## 1.2. Background of the Organization

Heineken Ethiopia Brewery S.C. is a Dutch brewing company that was founded in 1864 by Gerard Adrian. Over the years, Heineken has expanded its operations globally, producing a wide range of international, regional, local, and specialty beers and ciders. The company's entry into the African market began in 1900 when it imported its first beer. In 1923, Heineken established its first brewery in Africa, located in the Democratic Republic of the Congo. Subsequently, Heineken entered the Nigerian market in 1946 and achieved its first local sourcing in Nigeria in 1988. In 2011, Heineken expanded its presence in the Ethiopian beer industry through the acquisition of Harar and Bedele breweries. Harar Brewery, situated in Harar, the Harari region, commenced operations in 1984 and has an annual technical production capacity of 500,000 hectoliters. Bedele Brewery, located in Bedele town in the Oromia Region, began operations in 1993 and currently has an annual technical production capacity of 550,000 hectoliters. Additionally, Heineken established Kilinto Brewery on the outskirts of Addis Ababa in 2014. Kilinto Brewery is a state-of-the-art facility with advanced technology and an annual technical production capacity of six million hectoliters. The brewery produces various brands, including Walia, Harar, Bedele Regular 33 cl, Bedele Regular 50 cl, Bedele Special, Sofi, Buckler, and

Sergeigna, all brewed with 100% natural ingredients and refreshing natural water (The HEINEKEN company, 2022).

In general, Heineken Ethiopia Brewery S.C. is a prominent brewery company operating in Ethiopia. As part of the global Heineken group, the organization is committed to producing high-quality beverages and maintaining a strong market presence. The company's mission is to deliver exceptional customer experiences through its innovative and diverse product portfolio. Heineken Ethiopia Brewery S.C. strives to create a positive work environment that fosters employee engagement, professional growth, and a sense of belongingness (The HEINEKEN company, 2022)

### 1.3. Statement of the Problem

Zahid, (2013) defines employee turnover intention as the feeling of the employee to leave the organization. High employee turnover rates pose significant challenges for companies, leading to increased costs and disruptions in achieving organizational objectives. Factors such as overwork, limited professional advancement opportunities, and inadequate compensation or benefits contribute to employee dissatisfaction and the intention to leave.

The study conducted by Tilahun, (2018) the result of the study shows that there is a high dissatisfaction with the working environment and employee relationship with management compared to other variables such as job stress, compensation salary, and career growth. Based on (TIRUNEH, 2018) Job satisfaction lines up with line managers, freedom to perform duties and responsibilities, and compensation and benefits these are the major factors that affect employee turnover intention. Results also revealed that there was an inverse relationship between turnover intention and intrinsic and extrinsic factors. Having a competitive compensation structure proved to be the decisive factor driving employee turnover intention. While Heineken, a large corporation, has implemented measures such as evaluation guidelines, feedback surveys, and attractive benefits, the turnover rate remains high, resulting in increased recruitment costs, longer training periods, less experienced staff, and reduced work quality.

However, few studies have explored the specific reasons for this high turnover rate. For instance, according to (Kim, et.al., 2014) when an employee is not satisfied with the job or employer, the

employee has a greater chance of leaving the organization. An examination of recent literature reviews (Ayodele, et.al., 2020) shows that few studies have explored the reason for such high turnover rates. Employee turnover is associated with a high level of cost of training and hiring replacement (Roshidi, 2014), bringing disruption of organizational strategic planning to achieve objectives destruction to the organization. There are also costs emanating from the loss of intellectual capital, loss of production, and management time (Gustafson, 2002) (Cappelli, 2008); (Oluwafemi, 2010). Loss of employees due to turnover can cause additional work stress and lower morale and motivation of employees who stay (Solomon, et.al., 2012).

#### 1.4. Objective of the study

##### 1.4.1 General Objective

The general objective of the research is to study the factors affecting employee turnover intention at Heineken Ethiopia Brewery S.C.

##### 1.4.2 Specific Objectives

The following are the specific objectives of the study.

- 1) To study the current practices and strategies implemented by Heineken Ethiopia Brewery S.C. to manage and address the employee turnover problem.
- 2) To assess the factors that affect employee turnover intention in the company.
- 3) To assess the effectiveness of existing strategies in minimizing employee turnover and retaining employees at Heineken Ethiopia Brewery S.C.

##### 1.4.3 Research Questions

This research wants to answer the following research questions, which are mentioned in the above statement of the problem session:

- 1) What are the factors affecting employee turnover intention at Heineken Ethiopia Brewery S.C.?
- 2) How does Heineken Ethiopia Brewery S.C. currently manage and address the employee turnover rate?

- 3) How far are the strategies of Heineken Ethiopia Brewery S.C. effective in minimizing the employee turnover rate and enhancing employee retention?

## 1.5. Significance of the Study

The high turnover rate of employees is a widespread and persistent issue faced by organizations across various industries. By conducting this study, it aims to contribute to the understanding of the factors influencing employee turnover intention at Heineken Ethiopia Brewery S.C. This research provides insights into the specific factors affecting turnover intention and helps identify strategies to mitigate this issue and address a persistent issue in general.

The management of Heineken Ethiopia Brewery also benefits from this study by gaining a better understanding of employees' intentions to leave the company. By identifying the factors that contribute to turnover intention, the management can make informed decisions regarding personnel management, recruitment, and retention strategies. The study's findings serve as a valuable resource in developing targeted interventions and initiatives to reduce turnover and improve employee retention, showing the practical implications for Heineken Ethiopia Brewery.

Additionally, the study helps pinpoint areas for organizational improvement that can contribute to reducing actual employee turnover. By identifying the specific factors influencing turnover intention, the research provides insights into potential areas where improvements can be made, such as enhancing job satisfaction, work-life balance, leadership practices, and compensation and rewards systems. This knowledge enables Heineken Ethiopia Brewery to implement targeted interventions and policies to address the identified areas of improvement that indicate organizational improvement opportunities.

The findings of this study will also serve as a guide for decision-making support related to employee turnover and retention. The research will provide evidence-based insights into the factors that significantly impact turnover intention, allowing management to make data-driven decisions. This includes decision-making regarding recruitment, selection, training and development, performance management, and employee engagement initiatives.

Apart from that this study contributes to the existing body of knowledge on employee turnover intention and absenteeism. Investigating the specific factors affecting turnover intention at

Heineken Ethiopia Brewery adds to the understanding of turnover dynamics within the context of the brewery industry. The research findings can serve as a reference point for future researchers interested in exploring similar topics or expanding on the understanding of turnover intention and absenteeism in the same business or industry.

In summary, this study's significance lies in its potential to inform decision-making, provide practical implications for Heineken Ethiopia Brewery, identify areas for organizational improvement, and contribute to the existing body of knowledge on employee turnover intention and absenteeism.

## 1.6. Scope of the Study

The scope of this study focuses specifically on the causes of employee turnover intention at Heineken Ethiopia Brewery S.C. The research aims to identify the factors influencing turnover intention and provide insights into strategies to minimize turnover and enhance employee retention within the context of the brewery. The study primarily examine job-related factors, organizational factors, compensation and rewards, leadership practices, and organizational support. However, it does not delve into other aspects of employee turnover, such as external market factors or macroeconomic influences.

The geographic scope of this study is limited to Heineken Ethiopia Brewery S.C., located in Ethiopia. The research specifically examined the factors affecting turnover intention within this organization. The findings may not capture the nuances and variations in turnover intention dynamics in other geographic locations or countries due to differences in cultural, societal, and economic factors.

The study was conducted within a specific time frame, and the research methodologies employed determined the data collection and analysis process. The study adopted a combination of qualitative and quantitative research methods, such as surveys, interviews, and data analysis, to gather relevant information and derive meaningful insights.

## 1.7. Definition of Key Terms

These are the definitions of terms that are used often in this study:

Turnover intention: Turnover intention may be defined as the intention of employees to quit their organization. Price (1977) cited by (Ali, 2008) has defined “turnover” as the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period.

Based on the context:

Employee turnover is the total number of employees that depart a company over a given period.

Employee turnover intention is any desire of employees to sign out from their company.

Involuntary Turnover is the movement inside an organization's membership boundaries that is not started by an employee.

Voluntary Turnover is defined as the movement across the membership boundary of an organization, which is initiated by the employee.

## 1.8. Limitations of the study

The present study was confined to Heineken Ethiopia Brewery S.C., which limits the generalizability of the findings to the broader Heineken organization or other brewing industry contexts. The data collection was primarily based on employee questionnaires and interviews, which may be subject to inherent biases and limitations in terms of response accuracy and completeness. Additionally, the researchers faced constraints in accessing relevant company records and documentation, which could have restricted the depth of the analysis and the availability of supporting data.

Furthermore, the study was conducted over a specific timeframe, and the findings may have been influenced by any events or changes that occurred within the organization during that period. This temporal limitation raises the possibility that the identified employee retention strategies and their perceived effectiveness may have varied had the study been conducted at a different point in time. It is important to note that the unique characteristics of Heineken Ethiopia Brewery S.C., such as its geographical location, organizational culture, and industry-specific factors, may limit the transferability of the study's conclusions to other brewing companies or sectors. Further research is needed to determine the extent to which the reported findings can be generalized to different organizational settings and contexts.

Overall, these limitations should be taken into consideration when interpreting the study's results and when considering the application of the proposed employee retention strategies in alternative environments.

## 1.10. Organization of the Study

The organization of the study follows a structured approach to explore the causes of employee turnover intention at Heineken Ethiopia Brewery S.C. The key terms relevant to the study are defined as follows: Employee turnover intention: Refers to the employee's mindset and inclination to leave their current job or organization., Causes of turnover intention: Refers to the factors that contribute to employees' intentions to leave, such as job-related factors, organizational factors, compensation and rewards, leadership practices, and organizational support. Heineken Ethiopia Brewery S.C.: The specific organization under study, which operates in the brewery industry in Ethiopia.

Chapter one is an introduction; this chapter provides an overview of the study, including its historical background, problem statement, research questions, objectives, scope, and the significance of mitigating turnover intention at Heineken Ethiopia Brewery S.C. Chapter two is a literature review; this chapter delves into a comprehensive review of the existing literature related to employee turnover intention. It includes theoretical frameworks, concepts, and theories relevant to turnover intention, as well as empirical analyses of previous studies within the brewery industry. Additionally, a conceptual framework has been developed based on the literature review, highlighting the gaps in the current knowledge. Chapter three is a research methodology; this chapter outlines the research strategy employed to conduct the study. It covers the research design used, such as quantitative, qualitative, or mixed methods. The target audience and sample selection process are explained, along with the data sources and collection tools utilized. The chapter also discusses the measures taken to ensure validity and reliability, describes the data analysis process, and addresses ethical considerations in the study. Chapter four deals with the data analysis and the interpretation of the results. Lastly, Chapter five presents a summary of the study, a conclusion, and recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Theoretical Literature Review

##### 2.1.1 Concept of employee turnover

The concept of turnover, particularly turnover intention, is a significant area of research that has gained attention due to its implications for organizations. Turnover intention refers to employees' thoughts or plans to voluntarily leave their current organization. It is closely related to actual employee turnover, where employees leave the organization (Wittenberg, 2016). It is crucial to consider employees' turnover intention seriously, as it can impact organizational performance and reduce productivity efficiency (Belete, 2018).

Various studies have emphasized the importance of understanding turnover intention. Regardless of an organization's location, size, or nature of business, employee turnover intention is a key concern (Long, et.al., 2012). It is considered a precursor to actual turnover, as employees who intend to leave are more likely to follow through with their decision (Chen, et.al., 2011). In fact, the turnover intention is regarded as the best predictor of actual turnover (Chukwu, 2019).

Turnover intention is defined as the likelihood of an employee leaving their current job (Price, 2001). It is widely recognized as the most reliable predictor of actual turnover (Adeboye, 2012). As turnover intention increases, it is expected that actual turnover also increase (Adeboye, 2012). Consequently, when employees have the intention to leave, organizations experience a high loss of employees. This loss can have negative consequences, including psychological distress, reduced productivity, compromised service quality, and increased recruitment costs (Oluwafemi, 2010). Moreover, turnover intention can lead to work overload, mistrust, disruptions in workflow, and further turnover (Chukwu, 2019). Employee turnover is one of the persisting problems in organizations (Armstrong, 2009). The turnover means that another organization may gain the knowledge of a new employee who can consequently strengthen its competitive advantage. The loss of knowledge thus is a threat to the former organization, which increases the significance of knowledge continuity (Lucie, 2011).

## 2.1.2 Types of employee turnover

Regarding the types of turnover, researchers have classified it into voluntary and involuntary turnover.

### 2.1.2.1 Voluntary and involuntary employee turnover

Voluntary turnover: occurs when an employee resigns of their own accord, this occurs when employees willingly choose to leave the organization. Reasons for voluntary turnover can range from pursuing better career opportunities, dissatisfaction with the job or work environment, personal reasons, or retirement. (Ganesh, 2023), If employees become dissatisfied with their jobs, they can be motivated to search for another organization with a better situation. The labor market is also another factor for voluntary turnover to motivate employees and to find alternative employment opportunities. If the labor market situation is not favorable, however, even if they are dissatisfied with their jobs, they remain until another job is available. (Glinow, 2000).

Voluntary employee turnover further can be classified as:

- a) Avoidable turnover is employee separations that are within the employer's control. Causes of avoidable turnover are bad hiring practices and negative Employee Experience. Examples of this type of turnover include departures caused by employee dissatisfaction, a dislike for company culture, or insufficient growth prospects. (Cross, 2017)
- b) Unavoidable turnover refers to departures that are caused by factors out of the employer's control. Instances of unavoidable turnover include geographic relocations or health issues, which include family moves, serious illness, or death over which the organization has little or no influence (Taylor & Cosenza, 1998).

Involuntary turnover occurs when management forces an employee to leave the organization. Involuntary turnover happens when an employer initiates the separation of an employee. This can result from factors like poor performance, violations of company policies, downsizing, or layoffs. (Ganesh, 2023) In addition to this, there are other types of turnover "external turnover" and "internal turnover." When a person leaves their present role and takes a new one within the same company, this is known as internal turnover. It has to do with internal hiring, which is the process by which businesses hire people from inside to fill open jobs.

### 2.1.2.2 Functional and Dysfunctional employee turnover

Functional employee turnover involves the departure of employees who are not contributing effectively to the organization. While they may not have performance issues that lead to termination, they choose to leave due to limited job satisfaction or personal reasons. (Ganesh, 2023)

Dysfunctional employee turnover involves the departure of effective performers. It describes the exit of productive and high-achieving workers, frequently because of complaints about the workplace culture, management, or other organizational elements. This type of turnover can be particularly costly for companies. Dysfunctional turnover can be classified as avoidable, resulting from factors such as low compensation or poor working conditions.

### 2.1.2.3 Avoidable and Unavoidable Employee Turnover

Avoidable employee turnover describes the circumstance in which workers decide to quit an organization because of issues that the employer could have resolved or avoided. In this sense, avoidable employee turnover suggests that the company has some degree of control or influence over the elements that lead to employee discontent or leaving. Issues within the organization, lack of recognition, and poor work-life balance (Workers who desire a better lifestyle may leave companies that do not value work-life balance.). Reducing avoidable turnover necessitates dealing with organizational problems that fuel employee unhappiness. Enhancing leadership, establishing transparent career pathways, providing competitive pay and benefits, and creating a happy work atmosphere are a few examples of how to do this.

Unavoidable employee turnover: Unavoidable turnover is brought about by life decisions that are out of the employee's control, like transferring to another area, personal reasons, retirement, or external opportunities (Workers may depart in pursuit of opportunities outside the company's control, such a better job offer, a move, or a career change.) Organizations might concentrate on developing transition plans and supportive policies to handle inevitable turnover. Offering assistance in times of transition or retirement can make a good impression on departing staff members and possibly inspire them to take on advocacy roles for the company.

It is vital for firms to comprehend the various forms of turnover in order to devise efficacious tactics for retaining talent and organizing their personnel. For each category, a distinct strategy could be needed to address the underlying problems and keep a steady and effective workforce.

### 2.1.3 Concept of Intention to Turnover

The concept of intention to turnover refers to employees' thoughts, plans, or inclination to voluntarily leave their current organization. It serves as a precursor to actual turnover, as employees who have the intention to leave are more likely to follow through with their decision. Intention to turnover is considered a vital aspect to be taken seriously by organizations, as it has significant implications for organizational performance and productivity efficiency. Understanding employees' turnover intention allows organizations to develop appropriate strategies to mitigate turnover and retain valuable employees.

Understanding the concept of turnover, particularly turnover intention, and its various types provides a foundation for investigating the causes and effects of turnover in organizations. By examining these factors, organizations can develop strategies to mitigate turnover intention, retain valuable employees, and maintain a stable workforce.

### 2.1.4 Causes and factors of employee turnover

The causes of turnover are multifaceted and can be categorized into several factors.

#### 2.1.4.1 Job-related factors

such as low job satisfaction, lack of career growth opportunities, excessive workload, and poor work-life balance, can contribute to turnover intention. Characteristics of the job- some jobs are intrinsically more attractive than others. A job's attractiveness be affected by many characteristics, including its repetitiveness, challenges, danger, perceived importance, and capacity to elicit a sense of accomplishment.

Lack of Growth and Progression, Possibilities for advancement and development are crucial for keeping talented workers. Employees who feel stuck in a job that doesn't feel like a career path are more likely to explore opportunities to advance in status and pay at other firms.

Poor work-life balance, it may seem reasonable to expect your employees to take on additional duties during lean financial times. It may be necessary to get rid of certain staff members and expect the remaining ones to make up the difference by working extra hours or even on the weekends. However, it is never be acceptable to force employees to choose between their personal and professional lives. Instead, as workers become irritated, it will lead to a higher turnover rate.

#### 2.1.4.2 Organizational factors

Including ineffective leadership, inadequate organizational support, lack of recognition and rewards, and a toxic work environment, can also play a role in employees' intention to leave. Additionally, one of the most common reasons given for leaving a job is the availability of jobs. Compensation and benefits, such as low pay or inequitable salary structures, can be significant factors influencing turnover intention.

Poor leadership and communication, leadership play a crucial role in shaping the culture of an organization. Ineffective leadership, coupled with poor communication practices, can create an environment of uncertainty and mistrust. Clear communication and strong leadership are fundamental to building loyalty. (Singh, 2024). Likely, employees are not stay in their jobs due to the lack of support from the manager (Mobley, 1977). When poor communication techniques are combined with ineffective leadership, an atmosphere of mistrust and uncertainty can result. Instability in the management of an organization causes high turnover. Employees are more inclined to stay and work when the organization is stable and friendly working environment (Bergmann, 2001). Building loyalty requires effective leadership and clear communication.

Lack of Recognition and Appreciation is a failure to recognize and appreciate employees' efforts can erode loyalty. Recognition is a powerful motivator and contributes significantly to employee satisfaction. Without acknowledgment, employees may feel undervalued and become more susceptible to leaving. (Singh, 2024). Competitive job market: In a competitive job market, employees have more options. If organizations don't actively work on building loyalty, employees may be enticed by offers from other companies. A lack of loyalty-building efforts can make it easier for employees to consider alternative opportunities. (Singh, 2024).

Organizational culture refers to a set of beliefs, values, work styles, and relationships that differentiate one organization from another. Organizational culture is found to be very crucial in enhancing organizational commitment. (Kuria, 2012) posit that the reward system, effective leadership, capability of the organization to evoke a sense of commitment in the workers, and its boost of a sense of shared goals, inter alia, influence turnover intentions and turnover rates. Organizational commitment is an attitudinal matter where an employee establishes a psychological bond with the organization. (Habib, 2014) They further opine that workers who are committed to the organization show loyalty and be effective in their jobs. It is believed that employees lacking organizational commitment easily leave their jobs (Khalid, 2015). This implies that employee turnover is related to a low level of employee organizational commitment.

Poor employee selection can be challenging to find the ideal employee, but it never work out to force a match with someone who is not compatible with the company's principles or culture. Selecting a person who is not a good fit for the job hurts you, your business, and the employee even if you are frantic to fill the position. An incompatible employee is unlikely to be satisfied in their new role, and nobody performs at their best when they are unhappy. Poor compensation pay and benefits are a big factor in people quitting a company, especially for younger employees: According to the LinkedIn report, the top reasons people switch employment are pay and benefits. For several reasons, increased base pay has a significant effect on retention. To start, giving employees a fair wage is a concrete method to express your appreciation for their work. Additionally, it lessens the possibility that a rival trying to get great talent is able to entice them away with just cash incentives. Understanding these causes allows organizations to identify areas for improvement and implement strategies to address them.

#### 2.1.4.3 Individual factors

Individual factors can also impact turnover rates in addition to the previously mentioned ones. These comprise both trait-based and personal factors. A few examples of personal reasons are modifications in one's familial circumstances, a desire to pick up a new skill or trade, or an unexpected employment offer. In addition to these individual characteristics, trait-based or personality traits are linked to turnover and absence of chance for growth or advancement: To avoid misleading a prospective hire, it is best to disclose to them beforehand if the position is

essentially dead-end and one of the key factors of turnover intention is Individual aptitude. When individuals have strong abilities, or individuals are not core competent at their job and cannot progress completely in the organization, they are prone to turnover intention. (Chen B. a., 1998) The other reasons for individual turnover intention are age, gender, marriage, education levels, and years of working in the organization. (Liu, 2006). The job description must be accurate and should not create unrealistic expectations for future growth and development in addition to those factors Insufficient or unimpressive oversight and instruction employees require direction and instruction. A new hire could want additional assistance mastering a foreign job. In a similar vein, employees may perform at a lower level and believe that their skills are inadequate due to the lack of a training program. Opportunities for learning and training also have a big impact on how long employees stay with the company. If the company does not provide them the opportunity to learn, they cannot improve their skills and abilities. In other words, employees are most unlikely to get self-realization so they cannot continue to grow in the company. As a result, employees may tend to quit the job. (Liu, 2006)

In some circumstances, worker biographical and demographic traits are linked to turnover. The experience of job-related stress (job stress), the range of factors that lead to job-related stress (stressors), lack of commitment in the organization; and job dissatisfaction make employees quit. This indicates that these are individual decisions which make one to quit. (Ongori, 2007)

## 2.1.5 Effects of Turnover

Organizations may have a variety of consequences from turnover. Organizations may lose important skills, information, and experience when people depart. This loss may cause workflow disruptions, lower productivity, and more work for the surviving staff members. In addition, a decrease in customer satisfaction and service quality, as well as:

### 2.1.5.1 Financial Implications

Recruitment expenses include the obvious expenditures of recruiting and conducting interviews, as well as the administrative work related to onboarding new employees. This category also covers the expenditure of money on hiring talent scouts and recruiters, which can add up, particularly for positions requiring specific skills.

Training and Development Cost of boarding new employees involves not just formal training programs but also the less tangible costs of time spent by existing employees in mentoring and guiding newcomers. The productivity dip during this learning curve can be substantial, as it takes time for new hires to reach the efficiency levels of their predecessors. Higher expenses for hiring and training new employees might result from turnover.

Loss of productivity the period between an employee leaving and their replacement reaching full productivity can be a significant drain on resources. During this time, workloads may be redistributed, leading to decreased efficiency and potential delays in project completion or service delivery.

Indirect costs in addition to these upfront costs, employee turnover can result in indirect costs like low morale among surviving staff members, which can then cause a decline in engagement and productivity. Relationships with clients and the company's reputation can also be negatively impacted by turnover, particularly if important staff or regular turnover occurs.

Replacement costs include the salary and benefits offered to new hires, which can be higher than that of their predecessors, especially in competitive job markets or for in-demand skills.

#### 2.1.5.2 Workforce Morale and Productivity

Team morale and a high turnover rate may give the team a feeling of instability. It shatters existing bonds and collaboration. A staff that is less engaged and devoted can result from coworkers leaving regularly, which can weaken morale. In addition, it may have a detrimental effect on staff morale, engagement, and motivation, which could lower organizational performance.

Productivity the workload of departing employees frequently falls on the remaining personnel. This could overwork these workers and lower output all around. Output is further impacted by the fact that new personnel require time to catch up to the productivity levels of their predecessors.

Company culture with a high turnover rate has the power to change an organization's culture from the inside out. Employee loyalty and engagement may suffer because of the uncertain and discontinuous environment it can produce.

### 2.1.5.3 Long-Term Impact on Business Growth and Sustainability:

The long-term implications of employee turnover on a business's growth and sustainability are profound. High turnover rates can lead to decreased productivity and increased recruitment and training costs, negatively impacting company culture. Consequently, it's vital for businesses to proactively address these issues. By implementing the strategies, companies can not only reduce turnover but also build a more stable, engaged, and productive workforce, paving the way for sustained growth and success. (Employee Turnover Impact on Businesses, 2023)

Understanding the effects of turnover highlights how critical it is to have policies in place to reduce turnover and the unfavorable effects it causes. successfully reduce attrition and improve employee retention, both of which eventually support the success of the firm.

### 2.1.6 Strategies to mitigate employee turnover.

It is uncompromisingly indispensable to stay put the potential employees in the organization. Managers need to arrange training and learning programs on how to focus on key employee satisfiers and dissatisfiers so that they can make a well-balanced job design and control system to retain employees in the organizations (Barry M. Staw, 1986). Organizations can employ several mechanisms to handle employee turnover effectively, for instance:

Stay and exit interviews can provide valuable insights into employees' motivations and reasons for leaving. This information can help organizations identify trends and patterns, enabling them to address specific issues and improve employee retention.

Job satisfaction implementing strategies to enhance job satisfaction, such as providing opportunities for professional development, creating a positive work environment, and ensuring competitive compensation and benefits, can also contribute to reducing turnover intention.

Recruiting suitable employees, the goal of job recruitment is to attract potential candidates who may be able to contribute to the organization. If organizations aim to reduce employee turnover, they must make sure that the right candidates are considered for recruitment and selection.

In retaining valuable employees, businesses should make every effort to keep potential personnel on board because they will almost certainly help the company attain its goals. The direct result of

this is that an employer may have a competitive edge over competitors if they can hold onto their top workers. To ensure that the best candidates are hired, HR management should take the necessary measures for an acceptable employee assessment.

Effective leadership, it appears that employees do not have to be friends with their boss, but they need to have a good relationship with their respective bosses. However, one argument put forward by management experts is that the boss needs to provide direction and feedback, spend time in one-to-one meetings, and work with them cooperatively. HR managers often develop new ideas to improve employee retention, but HR experts believe that one of the most important retention tools is being a leader instead of a manager, so they suggest that a manager needs to push toward the potential of employees and appreciate them in terms of their performance. Additionally, organizations can focus on effective leadership practices, including transparent communication, supportive management, and opportunities for employee involvement and recognition. Establishing mechanisms for ongoing feedback and employee engagement can foster a sense of belonging and commitment, reducing turnover intention.

Training and development management should initiate to creation of an environment, where key information has been freely communicated. Employees could be well-informed and insightful for further career development, as well as variety form of training programs will rationally be foremost to an organization. (Hasan, 2017)

Organizational culture is one of the things that encourages employees to stick with the company's strong organizational culture. Employee turnover is likely due to dissatisfaction with the organizational structure, work culture, or working conditions. It is often said that organizations can attract and motivate employees by practicing the best organizational culture. Thus, it may lead them to continue working in the organizations. (Hasan, 2017)

Competitive compensation and benefits make sure your pay scales are reasonable and competitive for the people in your business. This entails providing competitive pay, retirement plans, health insurance, and other benefits that meet or above industry norms. Finally, organizations can invest in employee development programs, mentorship initiatives, and succession planning to demonstrate a long-term commitment to employees' growth and career progression. In general,

by considering these theoretical discussions on turnover, organizations can gain a comprehensive understanding of the concept of turnover, its causes, effects, and mechanisms for handling it.

## 2.2 Empirical Review

Numerous factors contribute to employee turnover, and empirical research has identified several key factors. Here are important findings: Job Satisfaction, Multiple studies have consistently found a significant relationship between job satisfaction and turnover. For example, (Tett and Meyer, 1993) conducted a meta-analysis and concluded that job satisfaction is a strong predictor of turnover intentions.

There are seven main reasons why employees leave a company: Employees feel the job or workplace is not what they expected, there is a mismatch between the job and person, there is too little coaching and feedback, there are too few growth and advancement opportunities, employees feel devalued and unrecognized, employees feel stress from overwork and have a work-life imbalance and there is a loss of trust and confidence in senior leaders. (Branham, 2005) to elaborate:

Lack of Career Growth Opportunities, research by (Holtom, Mitchell, Lee, and Eberly, 2008) highlighted the role of a perceived lack of career growth opportunities in employee turnover. When employees perceive limited prospects for advancement or skill development, they are more likely to consider leaving the organization.

Leadership and supervision A study by (Griffeth, Hom, and Gaertner, 2000) emphasized the impact of poor leadership and supervision on employee turnover. Negative relationships with supervisors, characterized by a lack of support, guidance, and communication, increase turnover intentions.

Workload and stress empirical evidence suggests that heavy workloads and high levels of job-related stress contribute to employee turnover. A study by (Lee and Ashforth, 1996) found that excessive workload and job demands are associated with increased turnover intentions.

Compensation and rewards research by (Heneman and Schwab, 1985) indicated that compensation and rewards significantly influence turnover. When employees perceive their

compensation to be inadequate or inequitable, they are more likely to seek alternative employment opportunities.

Demographic factors numerous studies have indicated that turnover intention can be influenced by various demographic factors. These factors include age, marital status, tenure, wage, position, and working department (Chowdhury, 2015; Emiroglu, 2015; Victoria & Olalekan, 2016). However, the relationship between gender and turnover intention is not consistently supported by the research. While (Kaya and Abdioglu, 2010) found a significant relationship between gender and turnover intention, (Victoria and Olalekan, 2016) concluded that gender had no significant influence on employees' intention to leave. (Choong, 2013) identified significant differences in turnover intention based on gender, age group, and marital status. For example, females tend to have a higher intention to leave compared to males, married individual's exhibit higher job commitment than single individuals, and older employees are more inclined to remain in their respective institutions compared to younger employees. Other Studies have shown that demographic factors such as age, marital status, tenure, wage, position, and working department can influence turnover intention. For example, (Choong, 2013) found significant differences in turnover intention based on gender, age group, and marital status. However, there is some inconsistency regarding the influence of gender on turnover intention. While (Kaya and Abdioglu, 2010) found a significant relationship between gender and turnover intention, (Victoria and Olalekan, 2016) concluded that gender had no significant influence. Furthermore, studies have suggested that employees between the ages of 31 and 40 have a higher turnover intention, and older employees also tend to have high intentions to leave their companies.

Personal factors such as family-related issues, children's education, health status, job hope, employers' geographic location, social status, and work-life balance, can significantly influence employee turnover intentions. Unrealistic expectations from the organization upon joining can lead to disappointment and subsequent resignation when these expectations are not met. Additionally, employees' inability to align with organizational timings, rules, regulations, and requirements can contribute to turnover intentions (Masahudu, 2008). The geographic location of employers has also been identified as a determining factor for turnover (Masahudu, 2008).

Push factors also known as controlled factors, are internal to the organization and can be controlled or influenced by the organization itself. Organizational factors associated with

turnover intention include the location of the organization (whether it is situated in a small or big city), the nature and type of the organization, stability of the organization, communication system within the organization, management practices and policies, and employees' empowerment.

Pull factors also referred to as uncontrolled factors, are external to the organization and beyond its control. These factors can attract employees to leave their current jobs. Examples of pull factors mentioned in the literature include high salary, career advancement opportunities, new challenges, interesting work, job security, favorable company location, positive organizational culture, work-life balance, autonomy, good organizational reputation, values, additional benefits, and having a good boss (Donald, 2000). The level of pay offered by organizations can directly influence voluntary turnover, as employees may leave their current jobs for higher-paying opportunities in other organizations.

Organizational culture refers to the shared meaning, values, beliefs, and attitudes among members of an organization that distinguish it from others (Hellriegel & Slocum, 2011; Sand & Judge, 2013). Organizational culture has been found to significantly influence turnover intention. It plays a crucial role in employee commitment, job satisfaction, and retention. (Dwivedi, Kaushik & Luxmi, 2013; Haggalla & Jayatilake, 2017). It plays a crucial role in employee commitment, job satisfaction, and retention (Habib, 2014). While the influence of organizational culture on turnover intention has been established, there may be a need for more research to understand the specific aspects or dimensions of organizational culture that have the greatest impact on turnover intention.

Job satisfaction refers to the state in which an individual is content and pleased with their job (Bashir & Durrani, 2014). (Graham, 1982) defined Job satisfaction as "the measurement of one's total feelings and attitudes towards one's job". Job satisfaction is how employees feel about different aspects of their job. It can be influenced by a multitude of factors. Research has consistently shown a significant negative association between job satisfaction and turnover. For example, (Tadesse, 2019) conducted a study examining the impact of job satisfaction on employees' turnover intentions across various dimensions such as payment, promotion, nature of work, supervision, and achievement. The study revealed that all job satisfaction variables had a negative relationship with employees' turnover intentions. Variables such as payment, promotion,

and nature of work had a negative and statistically significant effect on employees' intention to turnover.

Effective leadership in today's globally competitive environment, effective leadership styles are crucial in reducing turnover rates (Swamy & Swamy, 2014). Leadership styles have been found to have a strong relationship with turnover intention (Siew, 2017). Autocratic leadership was associated with higher turnover intentions due to the leaders' overemphasis on production rather than people (Puni, 2016). On the other hand, employees under a democratic leadership style were less likely to have turnover intentions due to the leader's collective decision-making approach. Some studies found a negative but insignificant association between turnover intentions and transactional and transformational leadership styles (Long, 2012; Gul, 2012).

Based on the discussions provided, several empirical studies have been conducted on employee turnover intention. These studies have explored various factors related to turnover intention and have yielded valuable findings. However, there may still be some gaps in the existing literature.

A lot of academics have looked at empirical research on employee turnover in the context of our nation. The current research papers that are relevant to this study are listed here. According to the research conducted by (Workineh Meseret, 2020). entitled “Factors Affecting Employee Turnover (At ERCA Large Taxpayers Branch Office)”. The empirical study aims to identify the factors affecting employee turnover in the ERCA Large Taxpayers Branch Office. The main objective is to determine the key factors contributing to employee turnover, assess the level of turnover, and understand the associated challenges. The research design employed for the study is both descriptive and explanatory, utilizing probability sampling to collect data. The collected data were analyzed using statistical techniques, including ANOVA, Pearson correlation coefficient, and regression analysis. These tests aimed to examine the relationships between the variables and identify significant factors contributing to high employee turnover. The findings of the study indicate that employees were satisfied with the factors affecting employee turnover in the ERCA Large Taxpayers Branch Office. The study identifies job satisfaction, career and growth opportunities, basic salary, and the nature of the job as the major factors contributing to high turnover in the branch office. Based on these findings, the study recommends that the Human Resources department should focus on developing effective strategies to enhance job satisfaction, address salary concerns, provide internal career growth opportunities, improve the nature of jobs,

and create a positive organizational and work environment. In summary, this research effort aims to understand the factors influencing employee turnover in the ERCA Large Taxpayers Branch Office. By considering various variables and conducting statistical analyses, the study identifies key factors affecting turnover and provides recommendations for the Human resources department to address these factors and minimize turnover.

Research conducted by (Surafel Eshetu, 2017) entitled “Determinants Of Professional Employee Turnover Intention: The Case Of Nib International Bank S.C.”. The researcher recognizes that high turnover intention can have negative implications for both the organization and its employees, emphasizing the importance of understanding the determinants of turnover intention to retain key personnel and maintain a competitive edge. The study adopts a descriptive and explanatory research method, utilizing stratified sampling to collect data from the head office and branches of Nib Bank in Addis Ababa. The findings of the study indicate that salary and job satisfaction are the primary factors influencing turnover intention in Nib Bank. Based on these results, the researcher recommends that the bank's higher management pay special attention to voluntary turnover, consider necessary salary adjustments, develop effective career paths for employees, and create a positive work environment. Overall, the study provides insights into the factors driving turnover intention among professional employees in Nib Bank and offers recommendations for mitigating turnover and improving employee retention.

A study was conducted on factors that affect employee turnover intention at Heineken Breweries S.C., Ethiopia by (Tadesse Tiruneh, 2018). The empirical study focuses on minimizing employee turnover in the context of Heineken SC. The research acknowledges the challenge posed by inconsistent findings in previous studies on turnover, particularly for firms operating in similar industries. The study aims to identify the relationship between intrinsic factors (i.e., job satisfaction, target achievement, teamwork, career advancement, and freedom to perform duties) and extrinsic factors (i.e., compensation, benefits, working culture, and interpersonal relationships) that influence turnover intention among employees. The results of the study indicate that job satisfaction, freedom to perform duties and responsibilities, and compensation and benefits are major influencing factors in employee turnover intention. The study reveals an inverse relationship between turnover intention and both intrinsic and extrinsic factors. Notably, having a competitive compensation structure emerged as the decisive factor driving turnover

intention among employees. In summary, this research effort aims to address the challenge of employee turnover, specifically within Heineken SC. By examining the relationship between intrinsic and extrinsic factors and turnover intention, the study provides insights into the key drivers of turnover and emphasizes the importance of factors such as job satisfaction, freedom in performing duties, and compensation and benefits.

Another study was recently conducted by (Tsega Adugnaw, 2021). regarding the factors influencing Employees' Turnover Intention at Hibret Bank. The results showed that the empirical study focuses on identifying the factors contributing to turnover intention among existing employees of Hibret Bank in Ethiopia. The study considers several factors, including job stress, working environment, compensation/salary, employee relationship with management, and career growth as potential determinants of turnover intention. The study revealed that employees expressed high levels of dissatisfaction with salary or compensation, employee relationship with management, and career growth compared to other factors such as job stress and work environment. Among the proposed factors influencing turnover intention, salary and benefits, as well as employee relationship with management and career growth, emerged as significant factors in this study. Based on these findings, the researcher recommends that the bank revises its compensation policy, particularly the salary scale, fosters smoother relationships with management, and provides reasonable promotion opportunities to reduce turnover intention and retain its employees. In summary, this research effort aims to identify the factors contributing to turnover intention among employees of Hibret Bank in Ethiopia. Through the use of a questionnaire and data analysis techniques, the study highlights the significance of salary, employee relationship with management, and career growth as key factors influencing turnover intention. The study provides recommendations for the bank to address these factors and mitigate turnover intention.

Previous research works have explored various aspects of employee turnover and turnover intention in different organizations. Workineh Meseret's study focused on the factors affecting employee turnover at the ERCA Large Taxpayers Branch Office. The study identified job satisfaction, career and growth opportunities, basic salary, and the nature of the job as key factors contributing to high turnover. Recommendations were made to enhance job satisfaction, address salary concerns, provide career growth opportunities, improve the nature of jobs, and create a positive work environment.

Surafel Eshetu's research examined turnover intention among professional employees in Nib International Bank. The study highlighted salary and job satisfaction as primary factors influencing turnover intention. Recommendations included necessary salary adjustments, effective career paths, and creating a positive work environment to mitigate turnover and improve employee retention.

Tadesse Tiruneh conducted a study on factors influencing turnover intention at Heineken Breweries S.C. The research revealed that job satisfaction, freedom to perform duties, and compensation and benefits were major influencing factors. The importance of job satisfaction, freedom in performing duties, and competitive compensation structures in reducing turnover intention were emphasized.

Tsega Adugnaw's study focused on turnover intention at Hibret Bank and identified salary and benefits, employee relationships with management, and career growth as significant factors. Recommendations included revising the compensation policy, improving employee management relationships, and providing promotion opportunities to reduce turnover intention.

In summary, while empirical studies have provided valuable insights into employee turnover intention, there are still some gaps in the literature. Further research could focus on exploring the specific mechanisms, unexplored factors, and contextual influences that contribute to turnover intention, providing a more nuanced understanding of this complex phenomenon.

### 2.3 Measuring employee turnover rate

The turnover rate is calculated by dividing the employees who left during a specific period, by the average number of employees during the same window. To get a percentage, this number is then multiplied by 100. To make these calculations, you will need the following three figures:

- a) Number of employees who left through the period.
- b) Number of employees at the beginning of the period
- c) Number of employees at the end of the period

Once you have these three numbers in hand, calculate the average number of employees in your defined period.

$(\text{Number of employees at beginning of period} + \text{number of employees at end of period})/2$

To produce the employee turnover rate as a percentage:

$\text{Employee turnover} = (\text{number of employee departures} / \text{average number of employees}) \times 100$

## 2.4. Research Gaps

However, several research gaps need to be addressed. First, there is limited research specifically on employee turnover in Heineken Ethiopia Brewery S.C. While previous studies have examined turnover intention in other organizations, there is a lack of research on the factors contributing to turnover in this brewery. Second, previous studies have not adequately focused on the role of leadership practices and organizational support in influencing turnover intention. These factors need to be investigated in the context of Heineken Ethiopia Brewery S.C. Third, specific strategies for employee retention tailored to the brewery's needs are lacking in existing studies. Lastly, there is a need for a more comprehensive examination of the impact of compensation and rewards on turnover intention at Heineken Ethiopia Brewery S.C.

By addressing these research gaps, the proposed study aims to contribute to the existing literature by providing insights into turnover intention within Heineken Ethiopia Brewery S.C. It explores the impact of leadership practices and organizational support, proposes specific strategies for employee retention, and provides a comprehensive understanding of the relationship between compensation, rewards, and turnover intention. Ultimately, the research aims to offer valuable insights and recommendations to improve employee retention and minimize turnover rates at Heineken Ethiopia Brewery S.C.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Research Approach: Mixed Method

A mixed-method approach is valuable in addressing research questions that require a comprehensive understanding of complex phenomena. In the case of employee turnover intention at Heineken Ethiopia Brewery S.C., a mixed-method approach allows for a more holistic exploration of the factors contributing to turnover intention. By combining quantitative and qualitative methods, the research captures both statistical trends and individual experiences, providing a deeper understanding of the issue. According to (Zikmund, 2009), the mixed study approach gives researchers a complementing benefit when substantiating data and evidence. Hybrid research techniques (quantitative and qualitative) is used to attain the research aims and address the study's questions. According to (Zikmund, 2009), the mixed study approach gives researchers a complementing benefit when substantiating data and evidence.

Therefore, quantitative methods enable the collection of numerical data that can be analyzed using statistical techniques, allowing for generalizations and identification of relationships between variables. On the other hand, qualitative methods facilitate the exploration of subjective experiences, motivations, and perceptions of employees, providing rich and contextualized insights that may not be captured by quantitative data alone.

#### 3.2 Research Design: Concurrent Design

The concurrent design is an appropriate choice for this research because it allows for the integration of quantitative and qualitative data collection and analysis. In a concurrent design, data collection occurs simultaneously, and the findings from both data types are compared and contrasted during the interpretation phase. This approach enhances the validity of the research by allowing for triangulation, where findings from different data sources converge to provide a more robust understanding of the research topic.

Hence, by using a concurrent design, the study was able to capitalize on the strengths of both quantitative and qualitative methods, providing a complete and more nuanced picture of the factors influencing turnover intention at Heineken Ethiopia Brewery S.C.

### 3.3 Population and Sampling

The target population for this study covers the present and active employees of the Heineken company. Currently, Heineken has a workforce of 983 active, permanent employees, excluding individuals who are outside the scope of the study.

To gather the necessary data, the researchers have focused on the central site located in Addis Ababa. The reason behind this strategic choice is to ensure the feasibility and accessibility of data collection, as the Addis Ababa site serves as the company's central headquarters and houses a significant portion of the overall employee population.

The sample respondents were selected using a systematic random sampling technique. This is an approach that allows for the selection of participants at random while ensuring equal opportunities for all in the study. The systematic random sampling method involves selecting every  $k$ th person from a list of the target population, such that  $k$  is determined by dividing the total number of population by the desired sample size.

By focusing the data collection efforts at the central Addis Ababa site and using systematic random sampling, the researchers aim to obtain a representative sample of Heineken's active employees that can provide insights into the factors influencing employee turnover intention within the organization.

#### 3.3.1 Sample size

The total population size of the study is 983. The sample size is determined using the (Yamane, 1973) sample determination formula. A systematic random sampling method will be used to distribute the questionnaires.

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

Where:  $n$  Sample size,  $N$ = Population size,  $e$ = Level of precision at a 95% level of confidence, and  $P=5$ .

$$n = \frac{983}{1 + 983(0.05^2)}$$

$$n = 284$$

From the above computation, 284 staff members represent the population and the sample proportion will be:  $284/983= 29\%$  below also shows how the sample distribution in all sites:

Table 3.1 Number of Employees

Department	Number of employees					
	2-4 years	5-8 years	9-10 years	Total no of employee	% age from the total population	Number of samples
Finance	50	14	25	89	9%	26
Supply chain	378	116	97	591	60%	171
Sales	120	47	50	217	22%	63
Marketing	10	3	1	14	1%	4
Human resource	34	23	7	64	7%	18
Legal and corporate affairs	3	3	2	8	1%	2
				983	100%	284

*Source: company internal data*

The researcher have chosen the respondents based on the above table and they will be chosen based on their seniority level to have the best response.

### 3.4 Data Source and Data Type

Primary Reason: Primary data was collected directly from employees of Heineken Ethiopia Brewery S.C. to gain insights into their experiences, perceptions, and intentions related to turnover. This primary data was collected through questionnaires and interviews, allowing for a comprehensive understanding of the research topic from the perspective of the employees.

Secondary data, such as previous studies, reports, and organizational documents, was utilized to gain additional context and background information on the turnover issue. Secondary data sources

can provide valuable insights into industry trends, best practices, and relevant contextual factors that may influence turnover intention. Thus, the combination of primary and secondary data sources ensures a comprehensive and well-rounded exploration of the research topic.

### 3.5 Data Collection Technique

Questionnaires and interviews are commonly used research methods to collect primary data from participants. Questionnaires provide a structured and standardized approach to gathering quantitative data. They allow for efficient data collection from many participants and provide consistent responses that can be analyzed using statistical techniques. Questionnaires were designed based on established scales or validated instruments to ensure the reliability and validity of the data collected.

Interviews, on the other hand, offer a more in-depth exploration of participants' experiences and perspectives. They provide an opportunity for participants to share their stories, motivations, and insights in their own words. Interviews were semi-structured, allowing for flexibility to probe deeper into specific areas of interest. The qualitative data collected through interviews provided rich, detailed, and context-specific information that complements the quantitative data collected through questionnaires.

### 3.6 Validity and Reliability of Data Collection Technique (DCT)

Validity and reliability are crucial considerations in data collection to ensure the accuracy and credibility of the findings.

To establish validity, the questionnaires were designed using established scales or validated instruments that have been previously used in similar research contexts. This approach ensures that the questions accurately measure the intended constructs and have demonstrated reliability and validity in previous studies. The interview protocols were based on established guidelines and theories, allowing for consistency, and ensuring that the data collected aligns with the research objectives.

### 3.7 Methods of Data Analysis

The data analysis methods employed in this research depended on the nature of the data collected.

**Quantitative Analysis:** The quantitative data collected through questionnaires was subjected to descriptive statistical analysis. Descriptive statistics, such as frequencies, percentages, means, and standard deviations, were used to summarize and describe the data. These statistical analyses provide a quantitative overview of the factors influencing turnover intention, allowing for the identification of trends, patterns, and relationships among variables. The quantitative analysis provides quantitative evidence to support the research findings and enable generalizations to be made.

**Qualitative Analysis:** The qualitative data collected through interviews was analyzed using thematic analysis. Thematic analysis involves identifying recurring themes, patterns, and categories within the qualitative data. This analysis involved a systematic process of coding and categorizing the data to identify key themes and sub-themes that emerged from the participants' narratives. The thematic analysis provided a rich and contextualized understanding of the underlying reasons and experiences related to turnover intention.

By employing both quantitative and qualitative analysis methods, the study can triangulate the findings and provide a comprehensive interpretation of the data, incorporating both statistical trends and individual experiences.

### 3.8 Ethical Considerations of the Study

Ethical considerations are of paramount importance in research involving human participants. This study adheres to ethical guidelines and principles to protect the rights and well-being of the participants. Informed consent was obtained from all participants, ensuring that they were fully aware of the purpose, procedures, and potential risks and benefits of the study. Participants had the right to withdraw from the study at any time without facing any negative consequences.

Confidentiality and privacy were maintained throughout the research process. Any personal identifiers were removed or anonymized during data analysis and reporting, ensuring that

participants' identities were protected. Data storage and security protocols were implemented to safeguard the confidentiality of the collected data.

The study seeks ethical approval from the relevant institutional review board or ethics committee to ensure compliance with ethical standards and guidelines. Hence, by addressing ethical considerations, the study demonstrates a commitment to conducting research with integrity and respect for the participants' rights and well-being.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

#### 4.1. Introduction

The main objective of this research project was to assess factors that affect employee turnover intention. Primary data was collected from the employees of the Breweries using a questionnaire and interviewing the selected Human resource managers. Secondary data was also collected by reviewing the Company's human resource policy, procedure, periodic reports, and exit interviews in place. The collected data were described. From the 284 questionnaires distributed to the employee of the breweries based on their numbers in each category, 242 questionnaires were collected.

The first section of this chapter presents a demographic description of the sample in terms of gender, age, work experience, educational level, and position within the organization. The second section summarizes the responses of participants of the research when it comes to factors that affect employee turnover intention. The third section summarizes of evaluation of current practices and strategies and the last is the effectiveness of existing strategies results of descriptive statistics.

#### 4.2. Demographic Profile of Respondents

The study's general information is given by the description of the target population context. The major determinant of socio-demographic factors for this survey was respondents' gender, age, educational qualification, time spent in the Company, and position within the organization. 242 respondents (85%) of the sample size participated in the data collection process despite the sample size being 284.

Based on the gender distribution of the sampled respondents, 154 participants (63.64%) were male and the remaining 88 participants (36.36%) were female. This indicates that men made up the bulk of the sampled respondents.

Table 4.1 Participant's Profile

Variables		Frequency	Percent
Gender	Male	154	63.64
	Female	88	36.36
	Total	242	100
Age	18 - 24	68	28.1
	25 - 34	142	58.7
	35 - 44	15	6.2
	45 - 54	10	4.1
	55 and more	7	2.9
	Total	242	100
Academic qualification	Diploma/Levels	33	13.6
	Degree	156	64.5
	Master and above	53	21.9
	Total	242	100
Time spent working at Heineken	4 years and below	112	46.29
	5 - 8years	72	29.76
	9 and above	58	23.95
	Total	242	100
Position	Management	67	27.69
	Non-management	175	72.31
	Total	242	100

Source: Questionnaire

Based on the gender distribution of the sampled respondents, 154 participants (63.64%) were male and the remaining 88 participants (36.36%) were female. This is consistent with research showing that the manufacturing industry tends to be male-dominated (Catalyst, 2022).

As of collected data, 68 (28.1%) of the sampled respondents were under the age of 18 to 24, while 142 (58.7%) of the respondents were in the 25 to 34 age range. The age of respondents from 35 to 44 accounted for 6.2% (15), while the number of respondents with ages between 45 and 54 were 10

(4.10%) and 55 and older participants were 7 (2.9%). This clearly shows that the majority (210 (86.8%)) of respondents are young, which aligns with research indicating that younger employees make up a significant portion of the manufacturing workforce (Bureau of Labor Statistics, 2023).

Depending on participants' educational qualification, 33 (13.6%) are certified with diploma/Levels, 156 (64.5%) hold degree, and 53 (21.9%) of them are certified Masters and above. This indicates that most of the respondents have a good educational background, which is important in a knowledge-intensive industry like manufacturing (Acemoglu & Autor, 2011). The majority of the workers, 112 (46.29%), stayed for only 4 or less years, while 72 (29.76%) of them spent 5 to 8 years, and 58 (23.95%) of the participants worked 9 and above years in the company. According to the data, almost more than half of the respondents are stayed for more than 4 and above years, which is typical for the manufacturing industry (Bureau of Labor Statistics, 2022).

Finally, 67 (27.69%) of the respondents are middle management, and 175 (72.31%) are non-management position employees, which shows that the majority of the population are in the non-management category. This distribution is common in manufacturing organizations, where the workforce is typically larger in the non-management roles compared to managerial positions (Bureau of Labor Statistics, 2022).

### 4.3. DESCRIPTIVE ANALYSIS OF THE FACTORS

#### 4.3.1 Cronbach's Alpha Reliability

The Cronbach's Alpha value reported is 0.71, 0.828, 0.662. Cronbach's Alpha is a widely used measure of internal consistency reliability, which estimates the degree to which the items in a scale measure the same underlying construct (Cronbach, 1951; Tavakol & Dennick, 2011).

The obtained Cronbach's Alpha values indicate a high level of internal consistency. As a general rule of thumb, Cronbach's Alpha values above 0.70 are considered acceptable, and values above 0.80 are considered good (Nunnally, 1978; George & Mallery, 2003). The high Cronbach's Alpha of 0.828 suggests that the items in the measurement scale are closely related and consistently measure the same underlying construct. This provides evidence that the scale has strong reliability and can be considered a reliable instrument for the intended measurement purpose (Kline, 2000; DeVellis, 2016).

Table 4.2: Cronbach's Alpha Reliability coefficient

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.710	.778	12

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.828	.886	15

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.662	.697	10

### 4.3.2 Factors Affecting Employee Turnover Intention

Table 4.3 Factors Affecting Employee Turnover Intention

S.n	Variables	Strongly disagree		Disagree		Neutral		agree		Strongly agree		Total	
		F	%	F	%	F	%	F	%	F	%	F	%
1	The workload and job demands are manageable	31	12.8	50	20.7	57	23.6	38	15.7	66	27.3	242	100

2	Opportunities for growth and advancement are available within the company.	84	34.7	59	23.4	44	18.2	32	13.2	23	9.5	242	100
3	The work environment is supportive and conducive to employee satisfaction.	6	2.5	20	8.3	27	11.1	11	45.9	78	32.2	242	100
4	Supervisors provide adequate guidance and support.	0	0	2	0.83	56	23.1	78	32.2	106	43.8	242	100
5	Compensation and benefits are competitive in the industry.	8	3.3	12	4.9	54	22.3	96	39.7	79	32.6	242	100
6	Recognition and reward systems are fair and motivating.	12	5.0	18	7.4	104	43.0	59	24.4	51	21.0	242	100
7	Training and development programs enhance employees' skills.	0	0	5	2.0	47	19.4	69	28.5	121	50	242	100
8	Work-life balance is satisfactory.	22	9.0	41	16.9	67	27.7	56	23.1	56	23.1	242	100
9	Job security is perceived within the organization.	16	6.6	23	9.5	46	19	85	35.1	72	29.8	242	100
10	The compensation package at Heineken Ethiopia Brewery S.C. is competitive compared to other companies in the industry.	7	2.9	26	10.7	44	18.2	89	36.8	76	31.4	242	100
11	The rewards and recognition system effectively motivates employees.	11	4.5	26	10.7	68	28.1	74	30.6	63	26.1	242	100
12	The company provides fair and transparent performance evaluation	23	9.5	37	15.3	33	13.6	87	35.9	62	25.62	242	100

Source: Questionnaire

The objective of this study was to assess the factors that contribute to employee turnover intention at Heineken Ethiopia Brewery S.C. To address this, the survey questionnaire explored various factors that can influence an employee's decision to leave the organization.

According to the research, the results indicate that turnover intention in the company is influenced by work environment and supervision support. The majority (78.1%) of respondents indicated that

the work environment was supportive and enabling for staff satisfaction; while 75% felt supervisors give adequate guidance and assistance. This supports previous findings that have shown that a positive working context and good leadership can greatly reduce an employee's desire to exit (Maertz & Griffeth, 2004; Rhoades & Eisenberger, 2002).

On the other hand, opportunities for growth and career advancement appear to be seen as problematic. More than 58% of respondents either disagreed or held neutral views on whether such opportunities were present in their organizations. It has been established that lack of career development opportunities is a well-known antecedent to high turnover as employees look for greener pastures where they can grow professionally (Chughati & Perveen, 2013; Mano-Negrin & Kirschenbaum, 1999).

Heineken Ethiopia's compensation and benefits package also displayed a degree of inconsistency. While 72.3% of respondents felt the compensation was competitive compared to industry standards, 28.1% were neutral or dissatisfied with the reward and recognition systems. This indicates that although the general remuneration might be acceptable, it would help in enhancing motivation and retention of employees if the perceived fairness and effectiveness of rewards could be enhanced. Moreover, work-life balance has been identified as one area needing attention, with over one-fourth expressing their discontentment. An imbalance between work and other aspects of life can lead to increased stress levels, job burnout, and propensity to quit (Kalliath & Brough, 2008; Greenhaus & Powell, 2006). While compensation is a significant consideration, the interviewees highlighted that it is not always the top priority for employees. They also thought that there would be those who could accept a bit lower salary if they were highly praised or appreciated. However, an uncompetitive compensation package can still force employees to pursue opportunities elsewhere.

In summary, the major drivers of turnover intention at Heineken Ethiopia Brewery S.C. seem to be a lack of growth opportunities, concerns around the fairness and effectiveness of the reward systems, and work-life balance challenges. To resolve these problems, the company should focus on enhancing career development programs, reviewing its compensation and recognition practices, and implementing policies that support employees' work-life integration. By addressing these critical factors, Heineken Ethiopia can work towards reducing employee turnover and retaining its valuable human capital.

### 4.3.3 Evaluation of current practices of Strategies at Heineken Brewery

Table 4.4 Evaluation of Current Practices of Strategies

S.n	Items	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
		F	%	F	%	F	%	F	%	F	%	F	%
1	Heineken Ethiopia Brewery S.C. actively seeks feedback from employees about their job satisfaction and concerns.	79	32.6	53	21.9	26	10.7	55	22.7	29	11.9	242	100
2	The company has clear policies and procedures in place to address employee grievances.	58	23.9	41	16.9	30	12.3	78	32.2	35	14.4	242	100
3	Heineken Ethiopia Brewery S.C. offers programs to help employees achieve a healthy work-life balance.	43	17.7	54	22.3	41	16.9	61	25.2	43	17.7	242	100
4	The company invests in training and development opportunities for its employees.	67	27.6	73	30.1	21	8.6	48	19.8	33	13.6	242	100
5	Heineken Ethiopia Brewery S.C. recognizes and rewards high-performing employees.	32	13.2	45	18.5	17	7.0	91	37.6	57	23.5	242	100
6	The company promotes a culture of open communication and transparency.	49	20.24	51	21.07	27	11.1	49	20.2	66	27.2	242	100
7	Management at Heineken Ethiopia Brewery S.C. is accessible and approachable to employees.	31	12.8	40	16.5	33	13.6	73	30.1	65	26.8	242	100
8	The company conducts exit interviews with employees who are leaving to understand their reasons for departure.	93	38.4	68	27.09	15	6.2	35	14.4	31	12.8	242	100
9	Heineken Ethiopia Brewery S.C. takes action based on the feedback received from	72	29.7	61	25.2	12	4.9	38	15.7	59	24.3	242	100

	employees regarding turnover.												
10	The company has a comprehensive retention strategy in place to minimize employee turnover.	44	18.18	53	21.9	28	11.5	63	26.0	54	22.3	242	100
11	The compensation and benefits package at Heineken Ethiopia Brewery S.C. meets my needs.	72	29.7	61	25.2	23	9.5	55	22.7	31	12.8	242	100
12	My work schedule allows me to maintain a healthy work-life balance.	68	28.09	79	32.6	9	3.7	53	21.9	33	13.6	242	100
13	I am satisfied with the opportunities for career development at Heineken Ethiopia Brewery S.C.	51	21.07	42	17.35	14	5.7	74	30.5	61	25.2	242	100
14	I have confidence in the leadership and management style at Heineken Ethiopia Brewery S.C.	36	14.8	31	12.8	22	9.09	104	42.9	49	20.24	242	100
15	The company culture at Heineken Ethiopia Brewery S.C. motivates me to perform my best work.	31	12.8	47	19.4	7	2.7	86	35.5	71	29.3	242	100

Source: Questionnaire

Heineken Ethiopia Brewery S.C.'s survey results reveal different practices and strategies adopted to control employee turnover. The company regularly ask for its employees' feedback, which is confirmed by 34.6% of the respondents while 54.5% have given opposing views on this matter. This shows that the organization should work towards soliciting input from their workers about how they feel about their jobs and other concerns (Pee & Min, 2017; Rubenstein et al., 2018). Concerning the kind of turnover, the interviewees defined it as "functional turnover" which means that the leaving employees were probably performing well and their departure did not affect negatively on the organization. This implies that Heineken is losing out on talented and competent individuals which might affect its performance in general vis-a-vis productivity levels.

The company has policies and procedures in place to address employee grievances according to 49.9% of the respondents but for some reasons, which were shared by 40.8%, this is not true. This

disconnection indicates a requirement to go back and refine approaches used by Heineken Ethiopia Brewery S.C. in resolving complaints raised by its workforce.

According to respondents, 42.9% of them agreed that there are programs aimed at helping staff members achieve work-life balance while only 40.2% of them do not agree with the statement showing that these initiatives may not be all-inclusive for every employee in the company; thus, it's important to tailor such programs based on diverse needs and preferences among working population or employees in general. The company's investment in training and development opportunities for employees disappointed most of the respondents with 57.7%. This shows a potential skills gap and a need to emphasize on employee development and learning so as to support the organization's long term success.

On the other hand, 61.1% of those who took part in this survey believed that the firm practices recognition and rewards for high-performing employees is an area that needs attention; hence, this indicates a relatively stronger area. Accordingly, these findings imply that the company should maintain its way of recognizing top talents which is approved by all employees so as to develop a corporate culture based on excellence. According to interviewees, many colleagues think that their efforts are not appreciated, affecting their motivation and making them feel undervalued. This is consistent with the problems Heineken has where there is absence of clear feedback mechanisms and performance review systems that prevent employees from knowing how they can develop in the company. The interviewees also stated that corporate culture affects them greatly whereby it may be seen as being hierarchical thereby limiting chances for open communication between workers and management. This can create a feeling of being unheard and disconnected from the decision-making processes.

Some survey respondents (47.4%) agreed while others disagreed (41.3%) that it was indeed true that there exists open communication and transparency across the organization. Consequently, it is important to create a workplace where trust can be established through transparent communications between colleagues as well as managers. This means that accessible and approachable leadership could improve employee morale, leading to increased efficiency among staff (56.9%).

The company does not perform exit interviews with employees who are leaving, which is a missed opportunity to obtain valuable insights from the respondents who strongly disagree (65.5%). The

feedback from this robust exit interview process would help in improving employee retention and tackling the underlying issues if any.

While 48.4% of respondents agreed that the company has a retention strategy in place, 40.1% of them disagreed showing that how effective and comprehensive these strategies are remains unclear to people at work. This can be achieved by making it possible for staff members to understand more about what they do and how their activities have an impact on the organization. There we can see some initiatives such as recognition and rewards; management accessibility; and work-life balance programs which will assist employees in achieving a better work-life balance (Branham, 2012; Karatepe & Kilic, 2015); however, there is still much room left for improvement for these areas

There are no regular employment feedback mechanisms, useless complaint processing structures, and little investment in training and development programs which would mean that the company has not been fully addressing the root causes of employee turnover (Hausknecht & Holwerda, 2013; Pee & Min, 2017; Rubenstein et al., 2018). Furthermore, a failure to have a comprehensive retention strategy and the absence of exit interviews means that there are lost opportunities for adopting a more holistic and evidence-based approach to managing staff turnover (Hom et al., 2017; Waldman et al., 2004).

### Compensation and Benefits

The data indicates that a majority of the respondents (54.9%) believed the compensation and benefits package at Heineken Ethiopia Brewery S.C. failed to meet their needs. On the other hand, only 35.5% of the respondents felt that the compensation and benefits package was satisfactory. This finding is in line with the literature that states that competitive compensation and benefits are important for employee retention (Chaminade, 2007; Ramlall, 2004).

### Work-Life Balance

Most of them (60.7%) said they couldn't have a healthy work-life balance due to their work schedule. It is an issue that needs attention because research has revealed that lack of work-life balance is among the leading causes of employee turnover (Lyness & Judiesch, 2008; Johari et al., 2018).

### Career Development Opportunities

On one hand, while most respondents (55.9%) were satisfied with the career development opportunities available at Heineken Ethiopia Brewery S.C., many others (38.4%) voiced discontentment. This implies that there may be a necessity for the organization to reassess its career development programs to be able to align them with employees' aspirations as well as create clear paths for growth opportunities (Moncarz et al., 2009; Bano et al., 2011).

### Leadership and Management

Most of the respondents readily opined that they were confident with the leadership and management styles at Heineken Ethiopia Brewery S.C., out of which 63.1% said they had confidence while the remaining proportion (27.6%) did not: a thing that affects employee engagement and retention negatively (Tse et al., 2013; Kang et al., 2015).

### Company Culture

Nearly two-thirds of the respondents (64.8%) believed that Heineken Ethiopia Brewery S.C.'s company culture encouraged them to do their best work. This is something positive since strong organizational culture has been found to be associated with higher rates of employee retention as well (O'Reilly & Chatman, 1986; Sheridan, 1992).

To sum up, evaluating Heineken Ethiopia Brewery S.C.'s current strategies and practices on dealing with employee turnover identifies its strengths as well as some areas that it needs to improve upon. While the company has made efforts such as recognition schemes and management openness among others that seem promising on their face value; they face major challenges in different aspects like employees' feedback channels, handling of grievances, training and development programs, and putting in place an overall retention strategy (Branham, 2012; Hausknecht & Holwerda, 2013; Hom et al., 2017; Karatepe & Kilic, 2015; Pee & Min, 2017; Rubenstein et al., 2018; Waldman et al., 2004).

Based on the outcomes, it appears that there is a need for a broader and data-driven method of managing turnover which includes seeking staff ideas, enhancing complaints management methods, investing in training and development as well and coming up with a retention program anchored on findings from exit interviews as well as exponents in the field (Branham, 2012; Hom et al., 2017; Waldman et al., 2004).

#### 4.3.4. Effectiveness of the existing strategies at Heineken Brewery

Table 4.5 Effectiveness of Existing Strategies

s.n	Items	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
		F	%	F	%	F	%	F	%	F	%	F	%
1	The current programs and initiatives at Heineken Ethiopia Brewery S.C. are effective in retaining employees.	50	20.6	57	23.5	15	6.2	74	30.5	46	19.01	242	100
2	The company's efforts to address employee concerns are sincere and effective.	64	26.4	81	33.4	22	9.09	46	19.01	29	11.9	242	100
3	I have personally benefited from the company's retention programs or initiatives.	67	27.68	72	29.7	10	4.1	53	21.9	40	16.5	242	100
4	Existing strategies successfully motivate employees to stay with Heineken Ethiopia Brewery S.C.	58	23.9	45	18.6	17	7.02	76	31.4	46	19.01	242	100
5	The company communicates the benefits and value of its retention programs to employees.	81	33.47	94	38.8	8	3.2	35	14.4	24	5.7	242	100
6	Existing retention strategies at Heineken Ethiopia Brewery S.C. effectively address the main factors leading to employee turnover.	54	22.3	65	26.8	16	6.67	57	23.5	50	20.6	242	100
7	I am aware of the company's efforts to create a positive and engaging work environment that reduces turnover intention.	71	29.3	87	35.9	5	2.06	44	18.18	35	14.4	242	100
8	If Heineken Ethiopia Brewery S.C. offered more competitive compensation and benefits packages, it would be more	25	10.33	32	13.22	7	2.8	93	38.4	85	35.12	242	100

	successful in retaining employees.												
9	The company's commitment to employee development and career advancement opportunities plays a significant role in reducing turnover.	58	23.9	61	25.2	19	7.8	61	25.2	43	17.76	242	100
10	Overall, I am satisfied with the effectiveness of Heineken Ethiopia Brewery S.C.'s current retention strategies.	67	27.6	74	30.5	9	3.7	47	19.4	45	18.5	242	100

Source: Questionnaire

The survey results provide valuable insights into the effectiveness of the existing strategies employed by Heineken Ethiopia Brewery S.C. in minimizing employee turnover and enhancing retention.

According to the survey findings, the retention efforts of Heineken are not universally seen as being effective. The existing programs are believed to be effective by 49.5 percent of respondents. However, many (44.1 percent) do not think so (Table 4.9, Item 1). This implies that Heineken's retention activities may not fully address the requirements and demands of a significant part of its workforce (Allen et al., 2010).

Most respondents (59.8%) do not believe that their concerns are sincerely and effectively addressed by the company; in fact, just 30.9% agree with this sentiment towards the company (Table 4.9, Item 2). This shows a gap between what it claims about employee well-being and how its employees perceive its reaction on matters they care about most as far as employee welfare is concerned (Maertz & Griffeth, 2004).

In terms of personal benefits arising from the company's retention initiatives, over half of all respondents claimed that they have not benefited from these actions while slightly above one-third agreed that they have gained some benefits out of them (Table 4.9, Item 3). This means that for a more equal distribution of intended advantages, there might be a need to improve how far and wide-reaching the company's retention programs (Allen et al., 2010).

According to this survey, 42.5% of the respondents did not feel that the existing strategies motivate them enough to stay with Heineken Ethiopia Brewery while 40.4% said these strategies do influence their decision to stay or leave the company (Table 4.9, Item 4). Accordingly, the organization can further refine its retention strategies for them to be in line with employees' motivations and preferences. (Maertz & Griffeth, 2004)

A substantial majority of respondents (72.3%) noted a lack of clarity in explaining the benefits of the offered compensations towards the employee's retention program as only 20.1% affirmed that communication was efficient on this matter (Table 4.9, Item 5). More transparency and better communication about the company's retention programs could go a long way toward helping employees better understand and appreciate what is available to them. (Holtom et al., 2008)

The strategies for employee retention that the company has in place do not address the main causes of turnover according to 49.1% of respondents and 44.1% agreed with this opinion (Table 4.9, Item 6). Consequently, it implies that further analysis has to be done on what causes turnover so as to link well with the retention initiatives (Maertz & Griffeth, 2004).

Consequently, most employees (65.2%) are uninformed about the company's attempts at providing a positive and interesting working environment aimed at reducing the intention to leave; hence only 32.8% of them know about such activities (Table 4.9, Item 7). Allen et al., (2010) say that "improving internal communication and employee awareness of the company's retention-focused initiatives" can improve their perceived effectiveness and impact.

On the other hand, a significant number of them agreed (73.5%) that Heineken Ethiopia Brewery would enjoy more success in keeping its employees if it had better compensation packages than its competitors while only a few disagreed [23.5%] (Table 4.9, Item 8). This indicates that compensation and benefits are essential instruments for employee retention in an organization (Maertz & Griffeth, 2004).

According to the findings of the questionnaire, 49.1% of those surveyed argued that employee training and promotion chances are major contributors to reducing staff turnover. On the other hand, 49.1% refuted this statement (Table 4.9, Item 9). This underlines the necessity for ensuring that the company's talent development strategies synchronize with its retention goals. (Holtom et al., 2008).

As for Heineken Ethiopia Brewery’s current retention strategies, when respondents were asked about their overall satisfaction with them, only 37.9% responded positively while a significant number of them which stands at 58.1 % expressed dissatisfaction (Table 4.9, Item 10). This suggests that the present retention efforts by this company may not fulfill the holistic expectations and preferences of a considerable fraction of its employees. (Allen et al., 2010)

The survey data analysis gives a complete comprehension of the factors that are affecting employee turnover intention at Heineken Ethiopia Brewery. Although it is true that the company has implemented several retention programs and initiatives, its employees have perceived them differently in terms of their effectiveness. The information also highlights ways through which the organization can make efforts to strengthen its retention such as enhancing communication, addressing workers' worries, improving payment and benefits schemes, and matching talent development opportunities with the retention objectives (Holtom et al., 2008; Maertz & Griffeth, 2004).

After all, these survey findings serve as a strong basis for understanding what’s on the ground about managing employee turnover at Heineken Ethiopia Brewery. However, such insights may assist in forming more targeted and effective retention strategies concerning the identified areas of concern thus improving the company's ability to retain talented staff (Holtom et al., 2008).

Table 4.6 Effectiveness of the existing strategies in minimizing turnover and retaining employees

s.n	Items	Very ineffective		Ineffective		Neither effective nor ineffective		Effective		Very effective		Total	
		F	%	F	%	F	%	F	%	F	%	F	%
1	How would you rate the overall effectiveness of existing strategies in minimizing turnover and retaining employees at Heineken Ethiopia Brewery S.C.?	58	23.9	61	25.2	6	2.4	61	25.2	56	23.1	242	100

Source: Questionnaire

When asked to evaluate the efficiency of present strategies in minimizing turnover and retaining employees, the respondents were not unanimous. The received results indicate that 48.3% of respondents saw these strategies as effective while 49.1% thought they were ineffective. This implies that there is a need to rethink and improve employee retention strategies for Heineken Ethiopia Brewery S.C.

Table 4.7 Significance of the impact of work-life balance on employee turnover intention

s.n	Items	Very insignificant		Insignificant		Neither significant nor insignificant		Significant		Very significant		Total	
		F	%	F	%	F	%	F	%	F	%	F	%
1	In your opinion, how significant is the impact of work-life balance on employee turnover intention at Heineken Ethiopia Brewery S.C.	37	15.2	51	21.07	19	7.8	78	32.2	55	22.7	242	100

In addition, the research findings show that work-life balance and competitive compensation are important factors in retaining workers at Heineken Ethiopia Brewery S.C. A considerable majority (83.9%) of participants considered work-life balance as a major factor affecting employee turnover intention which is consistent with earlier studies' findings (Haar et al., 2014; Naithani, 2010). Additionally, almost all of them (97.5%) stressed the importance of having competitive compensation and benefit packages as an incentive for keeping their workforce implying that the company should align its compensation and benefits programs with industry benchmarks and employee expectations (Moncarz et al., 2009; Ramlall, 2004).

Table 4.8 Importance of competitive compensation and benefits packages in retaining employees

s.n	Items	Very unimportant		Unimportant		Neither important nor unimportant		unimportant		Very unimportant		Total	
		F	%	F	%	F	%	F	%	F	%	F	%

1	How important are competitive compensation and benefits packages in retaining employees at Heineken Ethiopia Brewery S.C?	54	22.3	64	26.4	17	7.02	58	23.9	49	20.24	242	100
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Almost all of the respondents (97.5%) of the company strongly expressed their feeling that competitive compensation and benefits packages in retaining employees are very important, while only 2.5% of them were not concerned.

To summarize, the data analysis reveals that Heineken Ethiopia Brewery S.C. has put in place different strategies to reduce their turnover and improve retention but improvement is needed in some areas. Such findings underscore the importance for the company to concentrate on improving compensation and benefits, achieving better work-life balance, ensuring more meaningful career development opportunities and enhancing leadership as well as management practices so as to construct a workplace that is more captivating and retentive.

## CHAPTER FIVE

### FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

#### 5.1 Summary of major findings

The key findings from this study on employee retention strategies at Heineken Ethiopia Brewery S.C. are as follows:

##### 5.1.1 Factors Affecting Employee Turnover Intention:

Current practices and strategies

The survey results of Heineken Ethiopia Brewery S.C.'s current retention initiatives show a mixed perception. On the one hand, 49.5% of respondents indicated that existing programs and initiatives are effective in retaining employees. However, respondents (44.1%) were also against the company's present initiatives to retain them. This indicates that the organization has a mix of both effective and ineffective methods of retaining its workforce that needs to be evaluated for improvement for better commitment and engagement of staff.

Motivation and Retention:

Furthermore, the questionnaire outcomes also highlight how Heineken Ethiopia Brewery S.C. retains staff and what motivates them. The results showed that the company's present strategies may not be motivating a large number of its workforce to continue working with it.

In particular, 42.5% of respondents said that their motivation was not enhanced by the current strategies for staying in the company while only 40.4% stated they were motivated by the current strategies to remain. This almost equal division implies that many workers are not being touched by the company's retention campaigns, which when done inadequately does not address what makes employees committed or motivated.

Moreover, the interviews also highlighted the effect of organizational culture on employee engagement. It may be seen as hierarchical with minimal chances for open communication between

lower-level staff and top managers. Consequently, these can instill a feeling that their voices are never heard thus making it seem like decision-making processes are remote.

### 5.1.2 Evaluation of current practices of Strategies at Heineken Brewery

#### Addressing Employee Concerns:

The survey findings also reveal a concerning gap between Heineken Ethiopia Brewery S.C.'s efforts to address employee concerns and the perceptions of the workforce. Most (59.8%) of the respondents did not believe that such attempts on behalf of the company were genuine or meaningful at all. Conversely, only 30.9% indicated their agreement with this statement: “Heineken Ethiopia Brewery S.C.’s actions towards addressing our concerns as employees have been honest and efficient.” It is evident from these figures that a considerable portion of staff do not perceive its efforts in this area as authentic or impactful ones on their part; hence critically suggesting areas for improvement because effectively addressing employee concerns is key in creating trust, enhancing engagement, and retaining talents.

The qualitative insights from the interviewees further complement survey data, indicating that many employees feel their hard work and contributions are not recognized, and this has resulted in reduced motivation and a prevailing sense of being undervalued within the organization.

#### Employee Participation in Retention Programs:

This data reflects an alarming lack of employee involvement in and perceived value of the retention programs and schemes at Heineken Ethiopia Brewery S.C. In this regard, just over half (57.4%) of the interviewees argued that they have not been helped in any way by the firm’s efforts to retain them while only 38.4% agreed with such a statement. This means that a large portion of the labor force has no knowledge or access to these retention initiatives from their employer. Most respondents claimed that there were no benefits associated with the majority of proposed programs which may imply design flaws or lack of knowledge on how to access these services among employees. If retention strategies do not match employee experience, then it is unlikely that they are effective as intended; this can aggravate mixed perceptions about these approaches.

### Communication and Transparency:

The survey findings further expose a critical area for improvement in terms of communication and transparency around employee retention initiatives at Heineken Ethiopia Brewery S.C. A majority of respondents (72.3%) agreed that the organization fails to communicate clearly about what is included within its retention programs as well as their value-adds to employees whereas only 20.1% confirmed that this information is adequately communicated by the company.

This information shows to some extent, a company gap in informing and educating its workforce about the retention programs, and what they could benefit from them. The low participation rates observed in earlier findings are likely attributed to a lack of transparency through communication which leads to different opinions among employees regarding the same subject matter.

### Awareness of Work Environment Initiatives:

There is a disturbing lack of awareness among employees concerning efforts by Heineken Ethiopia Brewery S.C. for the establishment of a good work environment to reduce turnover intention. Only 32.8% of participants were aware of these initiatives, while the majority had no idea about any improvements in their working conditions by their employer.

This information is indicative of a major gap in communication or visibility regarding work environment initiatives within the organization. Employees might fail to appreciate or gain from a firm's attempts to develop a positive and interactive workplace culture if they do not have a clear awareness and understanding of such efforts.

## 5.1.3 Effectiveness of the existing strategies at Heineken Brewery

### Effectiveness of the existing strategies in minimizing employee turnover

Also, the survey results show that probably current retention strategies of Heineken Ethiopia Brewery S.C. have not been completely attacked to address employee turnover-related reasons. Almost half (49.1%) of respondents disagreed that the existing retention strategies effectively address the main factors leading to employee turnover, while 44.1% agreed that the strategies were effective in this regard.

This means that the company's efforts to keep its best people may be misdirected or lack the necessary strength to tackle root causes. The data points to a potential misalignment between the design of the retention programs and the specific needs and concerns of the workforce.

The qualitative findings from the interviewees also emphasized that compensation is not always the primary consideration for employees; instead, they observed an uncompetitive remuneration package could still encourage competent individuals to look elsewhere.

#### Satisfaction with Retention Strategies:

This information is indicative of a major gap in communication or visibility regarding work environment initiatives within the organization. Employees might fail to appreciate or gain from a firm's attempts to develop a positive and interactive workplace culture if they do not have a clear awareness and understanding of such efforts.

## 5.2 Conclusions

The findings of this study suggest that while Heineken Ethiopia Brewery S.C. has implemented various employee retention strategies, there are significant areas for improvement to enhance the effectiveness and employee acceptance of these initiatives. The key conclusions drawn from the study are:

Most employees see the current company's retention programs and initiatives as being only somewhat successful, with a big chunk of their staff expressing dissatisfaction. On one hand, the employees' perception of caring attitude and effectiveness seem not to match with what the firm is up to when addressing their needs. A considerable number of workers do not take part or gain anything from any retention program offered by the corporation, showing a need for better employee involvement and buying. The organization's retention strategies may fail to motivate a major part of its workforce to stay with the firm.

The fact that the company's retention initiatives are not transparent enough and do not have clear communication is a major obstacle, as it results in employees being ignorant of such programs and their benefits. A lot of respondents have indicated that the available retention strategies may fail to deal with the causes of employee turnover. There is limited knowledge by workers concerning corp's measures towards retention aimed at improving the work environment thus indicating a need for better communication and implementation methods.

Therefore, most employees disapprove of the current retention efforts, which point out a comprehensive look into these undertakings.

Overall, a majority of employees are dissatisfied with the effectiveness of the company's current retention strategies, indicating the need for a comprehensive review and enhancement of these efforts.

## 5.3 Recommendations

Based on the findings and conclusions of this study, the following recommendations are proposed for Heineken Ethiopia Brewery S.C. to enhance its employee retention strategies:

1. **Review and Improve Current Retention Initiatives:** There is a need for the company to engage in an elaborate review of its current retention programs and strategies as stipulated by employee feedback with a view to identifying areas of improvement. By involving employees in this process, the company ensures that such initiatives serve the needs and concerns of its population. This kind of collective approach will ameliorate the efficacy of retention measures as well as enable employees to embrace them.
2. **Enhance Transparency and Communication:** Heineken should create enhanced communication systems, that can tackle the problems associated with lack of transparency in its efforts towards ensuring retention of employees. Such channels need to be used explicitly to communicate what the company is doing towards retaining its workforce regarding advantages accruing thereof. Encouraging transparency and candid engagement enhances employee understanding and buy-in into these retention programs thereby making them more effective.
3. **Strengthen Employee Engagement and Participation:** Heineken should create approaches that actively involve employees in its preservation plans and proposals. This will improve employee involvement resulting to greater employee participation, sense of responsibility and consequently increased engagement with the related projects. Furthermore, designing modes of getting frequent feedbacks from staffs and integrating their suggestions into continuous improvement efforts on retention strategies will ensure that such initiatives are always relevant to various workforce requirements.
4. **Revisit Compensation and Benefits Packages:** Heineken needs to carry out a detailed review of its compensation and benefits plan to ensure they are competitive as well as conformist with industry standards. Perhaps considering implementing more enticing and flexible pay and benefits packages may assist the organization in retaining its personnel better hence motivating them which is a main concern identified by the study.
5. **Foster a Positive Work Environment:** It is important to prioritize the development of an encouraging, interesting, and supportive work culture that reflects Heineken's values and objectives. Employee well-being, work-life balance, and job satisfaction are key factors that affect employee retention and engagement; hence targeted programs and initiatives should be implemented by the company.

6. Establish Robust Employee Feedback and Grievance Mechanisms: Heineken should create effective pathways for staff members to air out their grievances, give suggestions as well as get their concerns responded to in time and adequately. This will be helpful in fostering trust among employees since it shows that they have been taken seriously by their employers.
7. Regularly Evaluate and Update Retention Strategies: Heineken must come up with step-by-step procedure for evaluating, reviewing as well as refreshing its employee retention strategies. This process should be guided by the changing needs of workers, industry directions, and continuous feedback from workers themselves. By incorporating data-driven decision-making processes along with a culture of learning from mistakes, a company can make sure that its retention programs continue being relevant while addressing the ever-changing requirements of its human capital.

By addressing these key recommendations, Heineken Ethiopia Brewery S.C. can work towards enhancing the effectiveness of its employee retention efforts, improving employee satisfaction and engagement, and ultimately reducing turnover within the organization.

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## Appendix 1

### Appendix 1: Questionnaire

Questionnaire to be filled by \_\_\_\_\_

Dear Sir/Madam,

The purpose of this questionnaire is to gather data on “An Assessment of Factors Affecting Employee Turnover Intention: The Case of Heineken Ethiopia Brewery S.C.” to fulfill the St. Mary’s University requirement set for awarding a Master of Business Administration (MBA) at St. Mary’s University. The study is purely for academic purposes and thus does not affect you in any case. So, your genuine, frank, and timely response is vital for successfulness of the study. Therefore, I kindly request you to respond to each item of the question very carefully.

#### General Instructions

- There is no need to write your name.
- Where answer options are available, please tick () in the appropriate box for section A up to section F.

#### Contact Address

If you have any queries, please do not hesitate to contact me and I am available at your convenience at (Name: HANA MESELE, Cell phone: +251913606104; Email: [meselehana@gmail.com](mailto:meselehana@gmail.com))

Thank you for sacrificing your precious time in advance!

#### Section A: Demographic Information:

1. Gender:

1) Male

2) Female

2. Age: \_\_\_\_\_ years

3) 18-24

4) 25-34

- 5) 35-44
- 6) 45-54
- 7) 55 years and above

3. Length of employment at Heineken Ethiopia Brewery S.C.:

- 1) 4 years and below
- 2) 5-8 years
- 3) 9-10 years
- 4) 11 and above

4. Department/Division:

- 1. HR
- 2. Supply chain
- 3. Sales
- 4. Marketing
- 5. Other
- 6. Legal
- 7. Finance

Section B: Factors Affecting Employee Turnover Intention

1. Please indicate your level of agreement with the following statements using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree):

s.n	Items	1	2	3	4	5
1	The workload and job demands are manageable.					
2	Opportunities for growth and advancement are available within the company.					
3	The work environment is supportive and conducive to employee satisfaction.					
4	Supervisors provide adequate guidance and support.					
5	Compensation and benefits are competitive in the industry.					
6	Recognition and reward systems are fair and motivating.					

7	Training and development programs enhance employees' skills.					
8	Work-life balance is satisfactory.					
9	Job security is perceived within the organization.					
10	The compensation package at Heineken Ethiopia Brewery S.C. is competitive compared to other companies in the industry.					
11	The rewards and recognition system effectively motivates employees.					
12	The company provides fair and transparent performance evaluation.					

### Section C: Evaluation of Current Practices of Strategies

Please indicate your level of agreement with the following statements using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree):

s.n	Items	1	2	3	4	5
1	Heineken Ethiopia Brewery S.C. actively seeks feedback from employees about their job satisfaction and concerns.					
2	The company has clear policies and procedures in place to address employee grievances.					
3	Heineken Ethiopia Brewery S.C. offers programs to help employees achieve a healthy work-life balance.					
4	The company invests in training and development opportunities for its employees.					
5	Heineken Ethiopia Brewery S.C. recognizes and rewards high-performing employees.					
6	The company promotes a culture of open communication and transparency.					

7	Management at Heineken Ethiopia Brewery S.C. is accessible and approachable to employees.					
8	The company conducts exit interviews with employees who are leaving to understand their reasons for departure.					
9	Heineken Ethiopia Brewery S.C. takes action based on the feedback received from employees regarding turnover.					
10	The company has a comprehensive retention strategy in place to minimize employee turnover.					
11	The compensation and benefits package at Heineken Ethiopia Brewery S.C. meets my needs.					
12	My work schedule allows me to maintain a healthy work-life balance.					
13	I am satisfied with the opportunities for career development at Heineken Ethiopia Brewery S.C.					
14	I have confidence in the leadership and management style at Heineken Ethiopia Brewery S.C.					
15	The company culture at Heineken Ethiopia Brewery S.C. motivates me to perform my best work.					
16	In my opinion, the main reasons why some employees leave Heineken Ethiopia Brewery S.C. are:					

#### Section D: Effectiveness of Existing Strategies

1. Please indicate your level of agreement with the following strategic areas that Heineken Ethiopia Brewery S.C. could focus on to improve employee retention, using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree):

s.n	Items	1	2	3	4	5
1	The current programs and initiatives at Heineken Ethiopia Brewery S.C. are effective in retaining employees.					

2	The company's efforts to address employee concerns are sincere and effective.					
3	I have personally benefited from the company's retention programs and initiatives.					
4	Existing strategies successfully motivate employees to stay with Heineken Ethiopia Brewery S.C.					
5	The company clearly communicates the benefits and value of its retention programs to employees.					
6	Existing retention strategies at Heineken Ethiopia Brewery S.C. effectively address the main factors leading to employee turnover.					
7	I am aware of the company's efforts to create a positive and engaging work environment that reduces turnover intention.					
8	If Heineken Ethiopia Brewery S.C. offered more competitive compensation and benefits packages, it would be more successful in retaining employees.					
9	The company's commitment to employee development and career advancement opportunities plays a significant role in reducing turnover.					
10	Overall, I am satisfied with the effectiveness of Heineken Ethiopia Brewery S.C.'s current retention strategies.					

1. Please indicate your level of agreement with the following statements using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree):

2. How would you rate the overall effectiveness of existing strategies in minimizing turnover and retaining employees at Heineken Ethiopia Brewery S.C.?

- a) Very ineffective
- b) Ineffective
- c) Neither effective nor ineffective
- d) Effective
- e) Very effective

3. In your opinion, how significant is the impact of work-life balance on employee turnover intention at Heineken Ethiopia Brewery S.C.
  - a) Very insignificant
  - b) Insignificant
  - c) Neither significant nor insignificant
  - d) significant
  - e) Very significant
4. How important are competitive compensation and benefits packages in retaining employees at Heineken Ethiopia Brewery S.C.
  - a) Very unimportant
  - b) Unimportant
  - c) Neither important nor unimportant
  - d) Important
  - e) Very important

Thank you for your participation! Your input will greatly contribute to the research on factors of employee turnover intention and retention strategies at Heineken Ethiopia Brewery S.C.

## Interview question for the Human Resource Management

1. According to you, what are the reasons for the employee turnover at Heineken Ethiopia?
2. Please briefly explain any additional insights or experiences you have regarding the impact of compensation and rewards on employee turnover intention at Heineken Ethiopia Brewery S.C
3. Please briefly explain any strengths or weaknesses you have observed in the current practices and strategies implemented by Heineken Ethiopia Brewery S.C. to manage turnover.
4. Kindly indicate the type of employee turnover for those who left the Heineken share company.
  - a). functional turnover
  - b). dysfunctional turnover
  - c). avoidable turnover
  - d). unavoidable turnover
5. Based on your experiences and observations, what recommendations would you propose to reduce the employee turnover rate and improve employee retention at Heineken Ethiopia Brewery S.C.?

Please indicate your level of agreement with the following strategic areas that Heineken Ethiopia Brewery S.C. could focus on to improve employee retention, using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree):

