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DEPARTMENT OF BUSINESS ADMINISTRATION

A Thesis Submitted to the Graduate Studies of St. Mary's university

In Partial Fulfillment of the Requirements for the

Degree of Master in Business Administration

**Topic: Causes of Employees Turnover and its effect on organizational
efficiency in The Case of Handicap International Ethiopia**

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Addis Ababa, Ethiopia



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Declaration

I, the undersigned, declare that this thesis is my original work, has never been presented in this or any other university, and that all resources and materials used herein, have been duly acknowledged.

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This is to certify that the thesis prepared by Mrs. Tsehai W/Michael .The causes and effect of turnover on organizational efficiency in the case of Handicap International submitted in partial fulfillment of the requirements for the Master of Business Administration complies with the regulation of St. Mary's University and meets the accepted standards with respect to originality and quality.

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Abbreviations

ACAS	Advisory, Conciliation and Arbitration Service
CIPD	Chartered Institute of Personnel and Development
HI	Handicap International
HRM	Human Resource Management
NGO	Non-Governmental Organization

CHAPTER ONE

1. Introduction

1.1 Background of the Study

Non-government organizations (NGO) participation in the development activity of the country goes back to the early twentieth century. Although their primary objective at that time was spiritual, the European missionaries were participated in the expansion of education and health care services. However, after the break of the 1973/74 famine, the NGOs emerged as important participants in the development and emergency relief efforts of the country. Since 1973/74, the participation of non-government organizations in the charity, emergency and famine response, and participate in the development of the local economy as well as capacity building of the people in which they execute their operations have been increased.

Indeed, the concept of Human Resource Management implies that employees are vital resources of an organization. Even if HRM is so, having a human capital alone cannot guarantee the success of an organization. There must be nurturing system on human capital and able to retain its employees through whom it can be able to reach its goal.

In this regard, investing lots of resources in recruiting, selecting, training and continually equipping employees in an organization will not take anywhere unless and otherwise the organization being able to design a mechanism in retaining them for the longest time possible (Rehman, 2012). The main reason is related with the notion of Armstrong (2001) who portrayed as long-term employees generally have higher productivity and efficiency on the job than newer employees, due to their length of experience with the firm. Loyal employees also improve operational processes and train incoming employees. Here the behavioral and personality pattern of employees is equally important to their competence which is mostly ignored by most employers.

Here the research, therefore; strives to show how human resource management of Handicap International carries its continues function so as to maintain and retain well performing employees within the organization in order to reduce the impact of turnover on quality of

work. It will also be expected to come up with its finding that can serve for further research to HI and other NGO's in the topic under discussion.

1.2 Statement of the Pproblem

For survival and success, most organizations whether they are large or small, public or private, service or manufacturing, use human resource management with its varying degrees as a tool to achieve a variety of the organization objectives. As the reason is related with the notion of Watson (2010: 919), HRM is the managerial utilization of the efforts, knowledge, capabilities and committed behaviors which people contribute to an authoritatively coordinate human enterprise as part of an employment exchange to carry out work tasks in a way which enables the enterprise to continue into the future.

It's believed that certain amount of turnover is acceptable by most organizations so as to bring new blood to the workforce. On the other hand, it can also be a problem when well experienced and valuable employees leave the organization unexpectedly and replacing them is difficult. This notion is supported with Armstrong (2001) as long-term employees generally have higher productivity and efficiency on the job than newer employees, due to their length of experience with the firm. Loyal employees also improve operational processes and train incoming employees. Furthermore; obviously Organizations also make investment on their employees by train and developing them, motivate them expecting a return which adds value to the organization performance. They must know when these well experienced employees leave; the organization may face a loss or impacted on quality of work delivery and other difficulties in achieving organizational goals and objectives.

From the review of the extant literature, it is confirmed that no studies have ever been conducted in finding out the cause and effect of employee turnover on organizational efficiency of Handicap International Ethiopia. There is also an apprehension of managers in relation with the cause and effect of turnover around employees who are particularly working in prevalent hardship areas even if the pay system of the organization is relatively well. They also have some turnover suspect around its head office. Consequently; the researcher

becomes in need to identify about the cause and effect of turnover on the efficiency of the organization.

Many previous studies showed that an excessive turnover rate clearly has a tremendous negative impact in an organization's performance especially when the experienced and skilled ones left (Surji, 2013; Rehman, 2012; Kumar, 2012; & Martin, 2005). Humanitarian organizations like Handicap International (HI) should never face high staff turnover because it will lead to be behind the schedule in utilizing budget and unable to implement quality programs for their beneficiaries. As a consequence, their relationship with donors, regulatory bodies and beneficiaries becomes questioned and existing staffs will be stressed due to the additional responsibilities to cover the vacant posts. In contrary; It is known that a certain amount staff turnover is acceptable so as to inject new bloods in the organization. However, if the rate of turnover is beyond the acceptable level, it becomes a challenge for senior managers and the organization as well.

1.3. Research Questions

In this study, the research will attempt to answer the following basic research questions:

- 1) What are the major causes for employees' turnover in Handicap International
- 2) What are the effect of employee turnover on efficiency of Handicap International

1.4. Objective of the Study

1.4.1. General Objective

The general objective of this study is to identify the cause and effect of employee's turnover on the organization efficiency with a specific reference to a country wide working single Handicap international organization.

1.4.2. Specific Objectives

More specifically, this research is intended to have the following objectives:

- To assess the major causes for employee's turnover in HI.
- To identify the effect of employee's turnover on efficiency of HI.

1.5. Significance of the Study

It is intended to describe the multitude adverse effect on the organization in relation with employee turnover. It recommends to HI in order to measure its turnover rates and give a hint to the organization in order to take an action to minimize it as much as possible or to do any further study up on it.

The findings and recommendations of the study would be vital for the human resource practitioners who design and administer employee retention and development system in order to achieve organizational objectives. It enables how to tackle the problem regarding employee turnover on different ventures found in Ethiopia particularly in NGO'S. Besides, the study would give readers an idea regarding the effect of turnover on organizations and will also aid other researchers as a reference for further investigation on issues which are related to these topics.

1.6. Scope of the Study

The study is geographically bounded with in situated Handicap International offices. In this regard, the technical analysis of how turnover affected HI quality of work and cost in terms of administration will be assessed with a focus on its major operational areas. It will focus on the description of how its turnover effect has been understood in HI.

1.7. Limitation of the Study

This study may have limitations in terms of the secondary data that show the magnitude of turnover in the past ten years of the organization journey. Since HI has branches out of Addis, the questioners will be sent through e-mail. Only existing employees will be selected as

respondents. It does not include employee who has left the organization. Instead of that the exits interview document will be referred from when the resigners have filled during clearance. Besides that, the absence of respondents to fill the questionnaire and missing certain items will be considered. Moreover, when some of the respondents did not keep the held program nor needs clarity on the e-mailed questioner, the researcher will orient and guide them independently.

1.8 Organization of the Paper

The paper is organized in five chapters. The first chapter includes introduction which encompass background of the study, statement of the problem, research question, objective the study both general and specific, and significance of the study, limitation, delimitation of the study and nature of the result. The next chapter refers about different literatures related to the topic. The third chapter explains the research design and methodology applied to make the research. In the fourth chapter the researcher clearly presents, analyze the data collected and will interpret and discuss the findings briefly. Finally the last chapter which is chapter five concludes the paper by providing summary and recommendation.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Introduction

Today, organizations should know that not only attracting talented employees but also retaining them is imperative for success of an organization. Scholars has found that high employee turnover can lead to lower productivity, diminished profits, and poor customer service (Eckardt, Skaggs, and Youndt e2014; Siebert and Zubanov 2009; Ton and Huckman 2008). Therefore; Human resources professionals should have continually worked to control their companies from high turnover rates using different retention policy. It enables to keep their loyal employees on board and preventing turnover. In this chapter, issues related to the effect of turnover on organizational efficiency will be portrayed from review literature. Moreover, possible retention strategies found in the literature are also reviewed briefly.

2.2 Defining Staff Turnover

People become dissatisfied with their jobs for a range of reasons; as explained by (Stephen Taylor, Careell et al,1975), employees may become bored with the content of job, frustrated by lack of promotion, fed up with their supervisors or irritated by changes in their working environment. During these time, turn over will be realized.

Different scholars have defined turnover as follows: According to (Anthony,2006), turn over refers to the ratio of leavers to the average numbers employed during the course of the year. Likewise; Armstrong (2006) put labor turnover as a measure of the rate of change of an organization's workforce and still another scholar named Martin (2005) stated as turnover is a term used to describe the departure of people from their organization. Gomez, Balkin & Cardy (2001) explained that employee turnover occurs when an employee ceases to be a member of an organization. (Ferreira and Almeida,2015) suggested that turnover occurs when employees leave an organization and have to be replaced with new ones. (Kondalkar,2007) defines employee turnover as a ratio comparison of the number of employees a company must replace in a given period of time. Turnover, as per Wikipedia (the free encyclopedia), in a human resources context

refers to the characteristic of a given company or industry, relative to rate at which an employer gains and losses staffs.

The definition of (Loquercio, 2006) excludes the expected termination of contractual employees. The main purpose of excluding fixed term employees from the calculation is that it does not indicate the real problem of the organization. Likewise; Most of the above scholars have defined staff turnover in terms of permanent employment contract made between employer and employee.

2.3 Types of Turnover

Turnover can be classed as internal or external. Internal turnover involves employees leaving their current position, and taking a new position with the same organization. Both positive enforcement (such as increased employee motivation and commitment) and negative consequences (such as project/relational disruption) of internal turnover exist, and thus this form of turnover may be as important to monitor as its external counterpart. Internal turnover might be moderated and controlled by typical human resource mechanisms, such as an internal recruitment policy or formal succession planning. The theme behind intentional turnover is habitually described with a relation among employee's economic, social and psychological procedure (Udechukwu, 2007).

Organizations should differentiate between voluntary and involuntary turnovers and take actions on the one that they have control. Loquercio et al (2006) gives a clear picture of staff turnover ladder which dictates as Voluntary turnover is referring to termination initiated by employees while involuntary turnover is the one in which employee has no choice in the termination as it might be due to long term sickness, death, moving overseas, or employer-initiated termination. Therefore; Voluntary turnovers are those caused by the interest of the employee (e.g. to take job in other organization for better salary) while involuntary turnovers are the decision of management to quit employees from work (e.g. dismissal for gross misconduct). In general, all resignations not formally initiated by employers are voluntary resignations.

In his studies on staff turnover in humanitarian agencies, Loquercio stated that Voluntary turnovers are further distinguished between functional and dysfunctional turnovers (Loquercio,

2006). He added that Functional turnovers are the exit of substandard performers and dysfunctional turnovers are referring to the exit of effective performers. They also classified dysfunctional turnover, which is the most concern of management due to its negative impact on the organization's general performance, into avoidable turnover (caused by lower compensation, poor working condition, etc) and unavoidable turnovers (like family moves, serious illness, death, etc) over which the organization has little or no influence.

Therefore, management should give special attention to avoidable turnover over which it has control and improves the situation and then staff's retention. The following chart adapted from (Loquercio et al, 2006) gives a clear picture of staff turnover ladder.

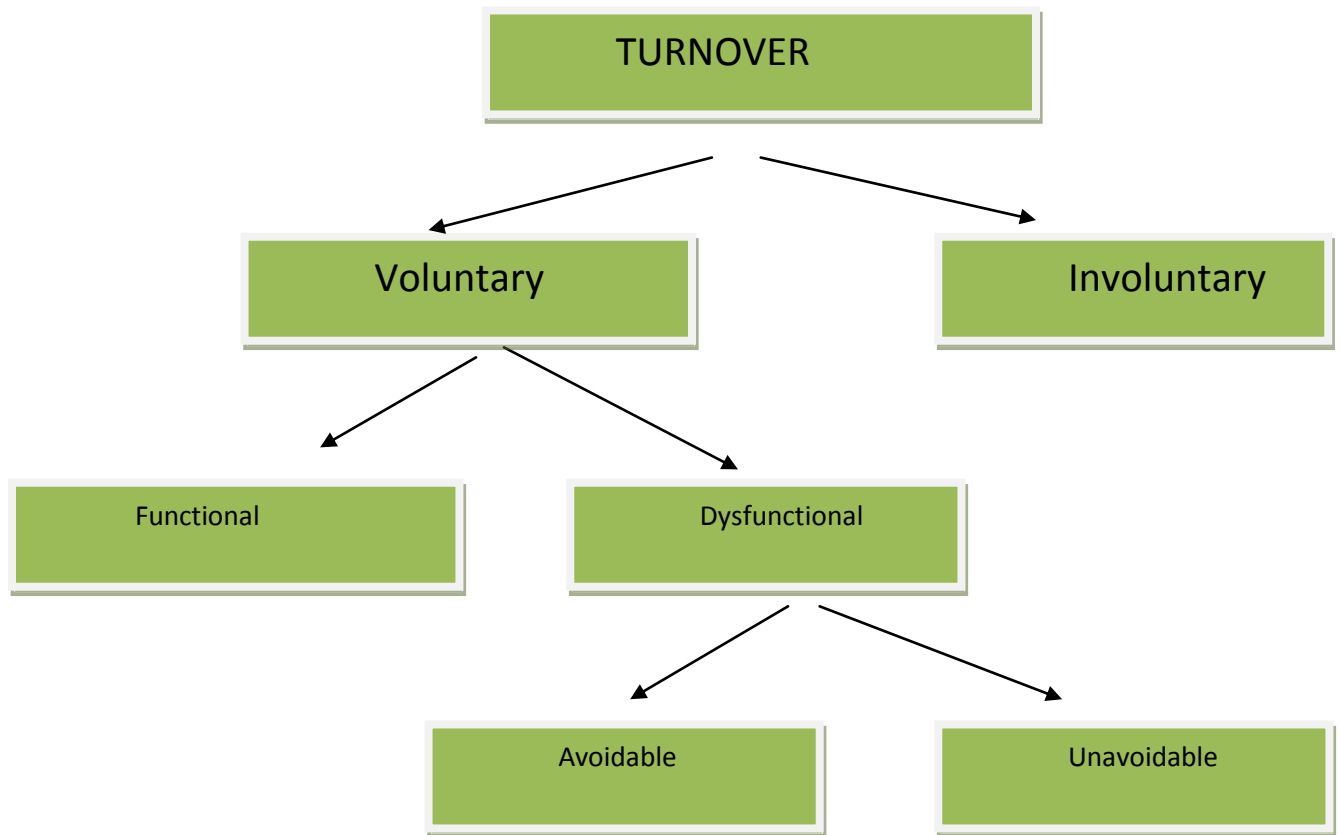


Figure 1 : Types of Staffs Turnover

Source: Loquercio, et al (2006) Understanding and Addressing Staffs Turnover in Humanitarian Agencies

2.4 Causes of Staff Turnover

Employees move from one organization to the other and from one industry to the other for different reasons. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them like higher salary or better benefits; on other occasions they are 'pushed' due to dissatisfaction in their present jobs to seek alternative employment. Sometimes it is mixtures of both pull and push factors.

According to the recent research conducted by CIPD in 2006 in UK, push factors play a major role in most resignations than pull factors. CIPD also emphasized that it is relatively rare for people to leave jobs in which they are happy, even when offered higher pay elsewhere. One argument for these results is that a lack of room for promotion or higher wages from outside options may encourage workers with desirable traits to seek outside employment (Mas 2006; Munasinghe 2006). When motivated workers and those with desirable traits leave the quality of employees who remain employed is lower. In contrast, firing workers may improve outcomes by enhancing the average traits of employees that are retained (Jovanovic 1979; Weiss 1980).

This implies that turnover of employees can be a positive or negative for outcomes depending on the economics of the particular industry. In general, employees leave on their own accord or they are discharged. Every separation of an employee from an organization whether voluntary or involuntary is serious problem for the organization. Though some degree of staff turnover is acceptable, it affects the well-functioning of an organization if they have excess staff's turnover.

From the control point of view, the staff turnover may either be avoidable or unavoidable. They also further elaborated that unavoidable causes are not fault of management but due to other factors which are not under organizations control like employee's personal betterment, domestic affairs such as marriage and pregnancy, illness, retirement, death, etc. and avoidable causes are like employee's dissatisfaction with job, low remuneration, long hour of work and poor working conditions, bad relation with supervisors and fellow workers and redundancy of activities. Human resource management, therefore; is one of the most important functions that should be carried out with care and consciously in order to motivate staffs for better productivity and serve the organization for long time.

Employee turnover basically occurs due to unhappiness of an individual employee from job environment. Being unhappy is not merely the reason in a job, why individuals leave one job for another job. If the employees possess the skills that are in demand, they may be awarded higher pay, better facilities or job growth prospective. So it is very important to recognize and know the difference between those employees who leave the job because they are not satisfied with their job and those employees who leave their job for other reasons, (Ibrahim, Usman, & Bagudu, 2013). Some of the important factors that contribute to employee turnover are;

1. **Organizational Stability:** A Sign of organization's stability or instability is one factor among many other factors responsible for the strength of employee turnover by level of employee satisfaction. The dependability signature highlights there is a sign that workers can stay with the organization for a long time period. On the other hand, if the organization is inconsistent or unstable in attaining its goals and objectives, then the same process can be disgusting as well (Zuber, 2001). Experiencing a high level of ineffectiveness or instability can have high levels of employee's turnover rate (Alexander, J, & Organizations that are Nuchols, 1994).
2. **Organizational effectiveness.** Among management researchers point of view, organizational effectiveness is regarded as explaining the goals, describing resources and shape if the organizational goals met (Muhammad, Naseer, Sheraz, & Mahfooz, 2012). (Yankey & McClellan, 2007) explained that organization's effectiveness is the degree to which the stated objectives and goals of an organization are met and in the process how well it performed. (Muhammad, Ghafoor, & Naseer, 2011) stated that the organization's effectiveness is the theme of how useful an organization is in attaining the outcomes, the organization wishes to produce. (Muhammad, Ghafoor, & Naseer, 2011) also narrated that the effectiveness of an organization is a theoretical concept and it is impossible to determine. Instead of assessing organizational effectiveness, the organizations establish proxy measures and further used as a tool to represent organizational effectiveness. Such things may be included as management efficiency, the employee's performance, employee's core competencies, number of employee's served and population segments with respect to types and sizes served (Muhammad, Naseer, Sheraz, & Mahfooz, 2012). (Herman &

Renz, 1998) explained that organizational effectiveness theory can be abridged as Impact of Employee Turnover on Organizational Effectiveness

3. **Work situation:** Employment status is the most conventional issue which is recognized to be the main issue for the employee's turnover. According to the faith of some consultants, the most essential influence on employee satisfaction associated with the work is the character of the work itself, which is the inherent characteristic of work as it is the most critical aspect of the financial executing individual life (Judge & Watanabe, 1994). Employee self-satisfaction associated to the job characteristics highlights some important factors as job challenge, scope of work, the diversity of work and job retention are other ground aspects which finally varies from person to person depending upon their environment and approaches (Houghton, Boston, MA, Y, & Ferris, 1987).
4. **Pay level:** Pay has a true alliance between employers and employees that help the organizations to apprehend and view decisions which assist in achieving the preset plans and objectives. Though, the idea of paying the employees is divided into two sections, one is external equity and second one is internal equity. External equity Impact of Employee Turnover on Organizational Effectiveness means those employees who are waging similar depending on their position, though the organizations may be different. It can help the organizations retain and magnetize its employees. Internal equity refers to the employees that are paid a similar position to work at a same pay scale. Some employees feel injustice without internal equity in the organization's environment, which leads to a greater employee's turnover rate in the organization (Pritchard, 1969).
5. **Training and Development:** Employees always need direction and guidance. Those who are newly recruited need extra guidance in learning different jobs. Likewise, absence of training programs may cause employees to fall behind their performance level and realize that their skills are missing (Ibrahim, Usman, & Bagudu, 2013).(Chiang, Back, & D, 2005) said that training of employees is associated with employee decisions to remain in the organization. He additionally researched and concluded that employee turnover has a direct relationship with job satisfaction; he further said that job satisfaction has a direct relationship with training provided to

organize employees. This shows that job satisfaction has a significant relationship with an employee turnover rate. On the other hand, the quality of training programs provided to the organization's employees shows an indirect relationship with an employee's plan to remain or give up the organization. He recommended that training of employees' is the main root for the success of an organization. The employee's turnover rate could be reduced by training the employees' and to keep talented people with them.

No organization can be successful in any sector until and unless the strategies are adopted by the management to reduce the turnover rate efficiently and effectively (Aiza & Abdus, 2013).

6. **HRM policy and Costs of employment.** Research study results narrated that HRM policy that engages job analysis, talent management, job description, job design, rewards, incentives, compensation, training programs help to enhance the effectiveness of the organization. A Study conducted by (Tzu & C, 2007) explains that there exists a positive relation between bonuses, reward systems, other financial benefits and organizational effectiveness. High rate of employee turnover decreases the organization's incentives for providing employee training programs and hence reduces productivity. Job matching theory on the other hand, states that employee turnover can be helpful for employees and employers to stay away from being locked in matches of sub optimal permanently, which as a result increases productivity (Muhammad, Muhammad, & Aisha, 2013). Employee turnover can be costly as it demands different costs to take account; as recruitment, administrative costs, covering cost in such a period there is a opportunity of job, new employee training cost etc (Ibrahim, Usman, & Bagudu, 2013). Those organizations which conduct proper training programs for their employees, having a higher success ratio and employee turnover ratio are less. Employees are quite satisfied with their jobs show greater dedication and less support to leave the job (O Reilly & Chatmen, 1986).Employee's job turnover increases because of employees in offices were chiefly at fault, committing errors because they were unable to follow the procedures and they were incompetently handled the circumstances; putting the organization employees in, by

poor planning such a pressure is created and at the end increase in employee turnover and decreases organizational effectiveness (Muhammad, Muhammad, & Aisha, 2013).

2.5 Effects of Staffs Turnover

Employee turnover is expensive from the view of the organization because Turnover has many hidden or invisible costs (Philips,1990). These invisible costs are result of incoming employees, co-workers closely associated with incoming employees, co-workers closely associated with departing employees and position being filled while vacant. Kemal et al. (2002). Catherine (2002) argue that turnover include other costs, such as lost productivity, lost sales, and management's time. in turn, turnover affects the customer service and satisfaction. Likewise; According to Hom and Griffeth (1995:13- 27), as cited by Stephen, there are various reasons aside from the costs directly associated with the resignation for employers to minimize the numbers of employees leaving. These include productivity losses, impaired quality of service, lost business opportunities, an increased administrative burden and employee demoralization. However, it is the direct costs associated with turnovers that have received the most attention from writers on this topic, and organizations strive to reduce the frequency of voluntary resignations from such point of view.

(Faruk, 2011) publicized that there is a negative relationship between employee turnover and job satisfaction. (Osteraker, 1999) summarized from past research studies that the success of an organization depends on two dimensions, first one is social and second one is mental/physical. These factors are made on the social circle basis, job description, development skills on the Impact of Employee Turnover on Organizational

The social factors explain the personal relationship and employee's social network inside and outside the organizations. Employee socialization is the base for this factor. Whereas, the mental factor absorbs employee retention aspect by giving flexible tasks, supportive environment which polishes them to use their skills and knowledge by participating and putting their utmost efforts to get forecasted consequences. The workplace environment and compensation programs are in some way helpful in retaining competent employees (Aiza & Abdus, 2013). Therefore;

(Osteraker, 1999) explained that organization's success depends on two essential pillars which are retention and employee satisfaction.

It is also clear as Quality of work depends up on personal relationship and all situations linked with skills needed to do the job. According to John Spacey (2017), work quality is the value of work delivered by an individual, team or organization. These can include the quality of task completion, interactions and deliverables. Work quality is a common consideration in managing the performance of programs, projects, vendors and individuals. The following are common types of work quality

- Fit for purpose: work product that are fit for purpose.
- Conformance to requirements : required futures and functions are delivered
- Usability: Delivered work is comprehensive, usable , Relevant to customer
- Completeness: work is complete with nothing missing
- Correctness: work that is free of bugs and errors
- Accurate: work is accurate and credible
- Diligence: work is prepared with careful and persistent effort for example. document that are well researched
- Professional: consistency with the norms and practices of a profession for example a lawyer who uses legal terms accurately
- Communication: should have the quality of communication such presentation and documentation
- Compliance: it must Comply for the regulation and standards
- Risk: reasonable effort where made to identify and manage risk.

- Controls: work confirms to the internal controls of an organizations such as a project that follows proper financial controls in managing budget

Employee turnover is the most important activity of human resource of a firm in which management is eager to censure. The reason for making a purposeful resistance is because of reality that organizations make sufficient investment in their employees in the shape of development, training, workflow, reimbursement planning and building of viewpoint to achieve

objectives and goals of the organization. Though, the increasing consequences of employee turnover can cause an effect on the organization's growth Singh et al (1994) explained that staff turnover is inevitable and is bound to exist in all industrial units even in those organizations where salary and working conditions are extremely attractive and satisfactory. However high staff turnover is a serious problem and therefore should be treated carefully.

There is some debate in the literature about how far employers should be concerned about turnover levels. Some writers have emphasized the potential positive effects of a continuous transfusion of fresh blood into the organization. Several researchers found that organizations get benefits due to innovative thinking and due to fresh blood, which increases employees' motivational level that carry to a new organizational job (Abelson & B, 1984). As cited by (Stephen Taylor, Carell et al ,1975:777) distinguish between functional and dysfunctional turnover, and suggest that the former serves to promote innovative ideas and methods and can thus renew a stagnating organization, while Hom and Girffeth (1995:27-30) also draw attention to research that has shown functional turnover to be commoner than the dysfunctional form. The net result is an improvement in productivity as poorer employees quit, leaving a higher proportion of good performers to enhance organizational effectiveness.

They also note that high turnover gives employers more opportunity to promote and develop valued staffs and reduces the need to make costly redundancy when there is a downturn in business. High turnover is probably least worrying in industries employing people in relatively low skilled occupations that nevertheless required high levels of customer service for instance, in fast food restaurants. As cited by Taylor, (Kearns 1994:11), this is because the employer wishes to tie together what is, in all likelihood, a short term burst of enthusiasm on the part of the employee.

Past research studies have concluded that employee turnover has a negative impact on the organization's overall performance with the help of empirical and theoretical analysis. It is due to organization's daily routines interruption (Dalton & W, 1979). An organization's success depends mainly on employee retention, which will help the organizations reduce employee's job turnover and increasing organizational effectiveness (Mohsen, 2007) (Staw, 1980).

Voluntary quits which represents an exodus of human capital investment from organizations and the subsequent replacement process entails manifold costs to the organizations. These replacement costs include for example, search of the external labor market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit John (2000).

For CIPD (2006) there is no such thing as universally applicable target for an ideal turnover rate. According to CIPD; Where it is relatively easy to find and train new employees quickly and at relatively little cost (i.e. where the labor market is loose), it is possible to sustain high quality levels of service provision despite having a high turnover rate. By contrast, where skills are relatively scarce, where recruitment is costly or where it takes several weeks to fill a vacancy, turnover is likely to be problematic from a management point of view. This is especially true of situations in which you are losing staffs to direct competitors or where customers have developed relationships with individual employees as is the case in many professional services organizations. (Mathis & Jackson, 2007) said that those employees who are in the organization have to put extra efforts and have to work extra hours to balance the work of those who left the organization. Increased workload of employees leads to decrease employee morale and increases stress level, which in turn increases employee absenteeism.

In Addition to these replacement costs, output would be maintained at the cost of overtime payment. Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Hogan, 1992; Wasmuth and Davis, 1993; Barrows,1990). The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations (DeMicco and Giridharan, 1987; Dyke and Strick, 1990; Cantrell and Saranakhsh, 1991; Denvir and McMahan, 1992).

High staffs' turnover adversely affect both employer and employees. The following are some of the effects of high staffs' turnover on employers and employees incorporating material from a variety of sources. It is clear that some are more readily quantifiable than others.

1. Cost of turnover on employers

According to Porter (2011), employee turnover can cost a company substantial amount of capital when considering downtime, recruiting, interviewing, orientation, training, and ramp-up time. An entry-level position can cost an organization about 50 to 100 percent of the employee's wage (Porter, 2011). Generally, all costs related to the leaving and replacement of employees can be considered to be costs of labor turnover. These embrace not only the costs of recruitment and selection. As early as 1960, Gaudet (1960: 39-47) put forward a rather comprehensive list of turnover costs with items such as advertising, college recruiting, applicant's travel expenses, medical examinations and psychological testing, recruitment awards for employees, and 'hotel entertainment'. The costs of these items can be accounted for, and the same roughly holds for the loss of organizational efficiency because of vacancies and higher average pay due to extra overtime. More difficult to estimate are the extra expenditures for training and learning contextual skills, because these include also the costs of coaching, supervision and the loss of quality and product output. Even more complicated is the accounting for items like the loss of team productivity, the loss of effectiveness of informal communication and co-ordination processes and a decreased motivation of those employees who are left behind (Mobley, 1982: 20-21). Sailors & Sylvestre (1994: 32) estimated the costs of labor turnover to US companies "to be several billion dollars per year" of which 20 per cent consists of direct turnover costs and 80 per cent of costs that can be associated but are not directly visible. A particular perspective on the negative effects of turnover is provided by the resource-based theory of strategic human resource management (Prahalad & Hamel, 1990; Barney, 1991; Ulrich, 1991) and the related ideas on high commitment Human Resource Management (Beer et. al., 1984; Guest, 1997). According to these theories, a motivated workforce can really make a difference when competing in the market. Dedication to the organization's goals, knowledge of the firm's internal processes, its suppliers and customer relations is supposed to produce high performance (Herman, 1997). A high turnover rate is contradictory to high performance because it shows that one of the core conditions of high performance – i.e. a highly committed workforce – is not met. Additionally, high commitment Human Resource Management requires long periods of training and socialization. Consequently, it will take more time before the break-even point between investments in human capital and the returns to these investments is reached. Therefore, in a

context of high commitment of Human Resource Management, the costs of labor turnover will be relatively high.

2. Effect of turnover on Workers

Turnover is not only cost the employers. it also cost the employees. The study shows as

- Due to shifting of employment, a worker has to sacrifice the benefits of his previous service. Such benefits include pension, provident fund, yearly increment, leave and so on. All benefits go once workers give up his stable job.
- A worker develops special skills and ability due to long and continuous service in industry. This skill is his personal assets. However, it may become meaningless if the worker leaves the present job and joins a new one.
- The worker may not be able to adjust on a new job in a new organization. This put tremendous mental pressure on him.
- A worker who changes his job quite often may be looked upon by others including employers with suspicion.
- The work environment changes when a worker shifts from one unit to another. He may find it difficult to adjust to a new environment.

2.6. Methods of Identifying Reasons for Staffs Turnover

Since turnover involves the most important resource of an organization, it needs to be examined and monitored. Organizations need to know who is leaving, why they are leaving, and whether any effort on their part can slow turnover. Several different methods are available to researchers seeking to investigate why employees choose to leave. Here we consider four contrasting approaches: exit interviews, survey of ex-employees, attitude surveys, and quantitative approaches.

2.6.1 Exit Interview

Undertaking formal interviews with employees before they leave the organization is a common method used to develop an understanding of their motivation for resigning. The most

straightforward approach is to take the resigned through a questionnaire of direct questions concerning his/her satisfaction with pay, supervisor, development opportunities, relationships with colleagues and job content. There are, however, a number of problems with such approaches that can serve to reduce their effectiveness.

First, there is the tendency of employees to develop a far more optimistic outlook after they have secured a new job and resigned. Their original reasons for seeking alternative employment often get forgotten as they move toward their last day. Such feelings are compounded if counter-offers are made to encourage them to stay and may disappear completely in the last days as cards are signed, leaving presents bought, affectionate speeches given and farewell parties held. This is often not, therefore, the best time to ask them for an honest and well-balanced assessment of their reasons for quitting.

A further problem arises when supervisors or department heads undertake exit interviews, because leavers will often balk at implying any criticism of them-particularly if they believe that they will require positive references in the future. The reason given for leaving may thus obscure the whole truth or may even be entirely false. It is far easier to say that you are leaving because you were offered more money elsewhere or because your spouse is moving, than to state openly that you disapprove of your new manager's style or feel that you have been treated unfairly in some way. According to ACAS, employees often simply quote some small incident which proved the last straw as a means of avoiding the admission of deeper or less tangible factors.

It can thus be argued that exit interviews, if used at all, should be undertaken very soon after the resignation has been confirmed, and that they should be carried out by an individual who will not have any role in writing future job references. A personnel officer is very well placed to carry out such work. According to Carrell et al (1995:770), as cited by Taylor, another way of encouraging candor is to explain to the leaver that the aim of interview is to gather information for improving work conditions. In other words, the individual should be asked directly for his or her opinion on how things can be improved and only indirectly about any personal reasons for resigning.

In general, it is necessary to note that leaving employees may not be interested to give the true cause of their resignation if they think that their supervisor is responsible to give future reference, or if the employee might want to be reemployed at the future date. Therefore, both these scholars suggest that leaving employees should be interviewed or required to fill exit questionnaire with one or the combination of the following methods:

- The exit interviewer should not be a manager who has had responsibility for the individual and who will not be involved in future reference writing.
- The cause may be investigated by asking fellow employees with whom the person leaving could be more frank.(Singh 1995).
- To give employees a questionnaire as they are exiting and ask them to complete and mail it back after some time (Ivancevich and Glueck 1989).
- To contract an independent survey company to conduct telephone exit interview with each departing employee (Loquercio 2006).

2.6.2 Surveys of Ex-employees

Another way of collecting information about the reason for staff resignation is to contact former employees some months after they left the organization and ask them for a considered view of their reasons for resignation. While the use of this method is relatively rare, as cited by Stephen Taylor, there have been a number of cases covered recently in the personnel journals that indicate some large organizations are experimenting with it. Candor is further encouraged if the surveys are carried out by independent bodies and are clearly labeled “private and confidential”.

2.6.3 Attitude Surveys

A third approach is to seek the views of employees before they leave and so provide a basis for the development of policies and practices that will deter them from so doing. These too are truly effective only if confidential-so as to maximize the chance of employees’ stating honestly how they feel about their jobs, their perceived opportunities, their bosses, colleagues and the organization as a whole. Questions can also be asked about their current intentions as regards the future and about their perception of alternative career paths open to them. Such approaches

enable employers to anticipate in which areas future turnover is most likely to occur, and to gain an insight into the main causes.

2.6.4 Quantitative Approaches

An alternative method to the use of surveys is to make use of the employee records to compare the data or characteristics of those who leave with those who stay. Although quantitative approaches are unlikely in themselves to give a particularly clear picture of reasons for turnover, they may reveal some interesting general trends and can usefully supplement information gathered using the three other methods outlined above. Any number of ratios can be investigated using quantitative analyses. Examples might include comparing leavers with stayers in terms of their ages, the distance they travel to work, their shift-patterns, pay levels, performance record or length of service. It is also possible to use these techniques to identify the extent to which turnover varies with the type of job undertaken or with the supervision of different managers. As with all quantitative analyses, the data is really useful only when there are large sample sizes available. Such approaches are thus inappropriate for smaller organizations.

2.6.5 Improving Staffs Retention

(Lau & Albright, 2011). Turnover in a few cases may be positive in some situations but not so much in others. For instance, if a non-productive employee leaves, the impact will be positive since the possibility of terminating is non-existent (Lau & Albright, 2011). Opportunities for other workers could come up from the change, plus opening up a position for a existing employee, hiring an employee with a superior skill level, increasing diversity, streamlining, and regulating the budget (Lau & Albright, 2011)

Though it is natural and healthy for people to leave the organization from time to time as this allows for the introduction of fresh ideas and promotions, unless organizations retain workers for a reasonable period, however, they are unlikely to be able to provide the quality goods and services required to remain competitive. If labor turnover becomes excessive, it can indicate management problems therefore should be corrected timely.

Once the reasons for resignations have been established and analyzed, the next step is to formulate plans to reduce them. Clearly, it is impossible to generalize about the form such plans will take, because they will vary dramatically depending on the causes of turnover in specific organizations. Employers may often find that very different factors explain resignations in each department or business unit. However, there are several possible courses of remedial actions that can usefully be considered and which have been shown by researchers to have a positive effect in some circumstances. Hom and Griffth (1995), as cited by Taylor, in their comprehensive review of recent US research into the management of turnover, describe nine areas for employers to consider. The first six are described as ‘robust’ methods of controlling turnover, and according to Stephen Taylor, there is strong research evidence, and the final three as promising methods;

- Realistic job previews – staffs turnover can be reduced by giving the true picture of the job to candidates. As stated by Robbins realistic job preview is sharing of both favorable and unfavorable information about the job with candidate. This includes brochures, films, plant tours, work sampling, or a short script made up realistic statements that accurately portray a job.
- Job enrichment- employees will stay in an organization if they achieve high level of motivation, satisfaction and performance with the jobs they do are more interesting and challenging. Furthermore, the following perceptions of jobs by job-holders are particularly important. These are, opportunity for self and career development, the job is meaningful or significant, variety of skills are used to do the job, high degree of personal responsibility, high degree of autonomy, and positive feedback on performance.
- Workspace characteristics – researches indicated that large open-plan offices with few dividing walls or partitions tend to reduce employee’s significance and autonomy, overcrowding and darkness make matters worse. Therefore, as far as possible employers should consider making workspace attractive to employees.
- Induction practices – Proper orientation is one of the mechanisms that reduces turnover especially that occur in the first months of employment. The induction packages include proper orientation about terms of employment, security issues, health and safety regulations, wage and benefits, organizational rules and policies, employee development opportunities, sufficient information about the organization and the industry, job

performance issues including job description, standards, appraisals, and role within the department.

- Leader-member exchange- implies paying new comers (starters) particular attention and activity trying to develop high-trust relationships with them from the start. This reduces particularly first month turnovers.
- Employee selection - this starts from preparing a clear specification of the person required; setting standards that are not too high (this could result in recruits who are overqualified and who might become bored) nor too low because of a shortage of good candidates; setting suitable selection tests where appropriate – e.g. for essential practical skills – but be careful they do not discriminate unfairly; involving supervisors and ensure that interviewers are trained;
- Reward practices – better rewards are one of the means to reduce turnover. This includes both extrinsic rewards (external to the job and tend to be tangible and include various forms of payment, fringe payments, promotions, car, etc) and intrinsic rewards which is concerned with enhancement of self-esteem and self-worth.
- Demographic diversity – as cited by Stephen, on average women and member of ethnic minorities are more likely than white male to leave jobs voluntarily. Therefore, whether the discrimination is imagined or real, it the perception of inequality that is significant, and should be tackled to reduce the turnover. The way to tackle unfair discrimination is to introduce and communicate effective equal opportunity policies that managers should at levels are obliged to accept.
- Managing inter-role conflict – the other staffs’ retention mechanism cited by Stephen relates to reduction of conflicts that arises between the demand of work and family. In addition to the minimum standard required by law, employers need to go further for flexible work schedules, childcare, home workings, etc. In addition, ACAS has suggested that organizations need to keep a record of the number of people leaving and why they are leaving and should pay particular attention to voluntary resignations. In the meantime management should identify whether excessive turnover is among recent starters or among trained and experienced workers. They have also indicated the following measures might reduce staffs’ turnover depending on their stay in the organizations.

In general keeping staff turnover low is important. It requires being aware of the current state of the practice work environment, choosing appropriate new hires and providing them with proper training, talking to staffs members and solving problems as they emerge. Organizations should strive to provide superior leadership in their practice, keep communication lines open and support the entire staffs. Periodically take time to examine the workplace from the employee's perspective, and continually seek to improve it. This will help organizations to create and maintain a place where people want to work and stay.

2.7 Measuring Staffs Turnover

The commonly used formula to calculate a crude turnover rate for any given period is described as shown below by the United Kingdom based Chartered Institute of Personnel & Development (CIPD) 2006 report.

Total number of leavers over a period X 100

Average number of staffs employed over a period.

However, Loquercio (2006) suggest that number of leavers should encompasses all leavers, including people who left due to dismissal, redundancy, or retirement, but it typically excludes those leaving at the end of fixed contract.

CIPD also introduced stability index of staffs which indicates the retention rate of experienced employees. Like turnover rates, this can be used across an organization as a whole or for a particular part of it. The usual calculation for the stability index as cited by CIPD is

Number of staffs with one or more year's service x 100

Number employed a year ago

2.8 Organizational efficiency

An Organization efficiency is the capacity of an organization, institution, or business to produce desired results with a minimum expenditure of energy, time, money, personnel, materiel (Mesh, 2012). According to Homer (2007) states that staff turnover is costly and disruptive. It reduces

the outputs and is disruptive as it requires the schedules and programmes to be modified. It causes the organization to lose a lot of money because they have to employ other staff to come and help.

Turnover is a very expensive aspect to companies, the reason the employers gives it importance (Oregon, 2004). According to Namhoon (2009), Employers incur considerable direct and indirect expenses when employees leave the company. Among other costs, they include, advertisement, headhunting fees, resource management expenses, time and efficiency and cost of training and development. The company needs to frequently examine the costs of turnover and create mitigation. If the company determines the most common causes of employee turnover, it would certainly be able to take the necessary steps for recruiting and retaining well-qualified personnel.

According to Miller (2006) employee efficiency is an outcome of the employee's knowledge, capability, motivation, workplace environment, etc. Generally, efficiency is defined as "output gained from the fixed amount of inputs". Likewise, employee efficiency is the output gained by the inputs of the employee, with a goal to bring out profit to the company and to the employee himself. Enhancing an employee's efficiency is not only dependent on the inputs of the employee, but also by the aid provided by the organization and the nature of workplace environment. According to Catano, Darr & Campbell, (2007) measuring employee efficiency is to calculate an employee's qualitative and quantitative work, it can be calculated on a monthly basis, yearly basis or by daily assessment. Before measuring an employee's efficiency, it is necessary to determine what are outputs to be measured (Cascio, 2003). According to Duncan (2008) if an employer expects too much output from the employees, they will find shortcuts to achieve the expected benchmark and as a result, quality will suffer. Conversely, if less efficiency is expected, the company's overall performance will decline because of inefficient use of available resources (Buttrick,2009).If a manager wants to measure employee's efficiency in the organization, he needs to know how to use certain basic software tools such as bar graph, pie chart, spreadsheet (Horton, 2007). Blashka (2007) contended that efficiency is linked to employee morale. When employees are happy at work they have more motivation, which increases efficiency. Poor morale causes employees to be disengaged. If employees are not given the proper resources to do their jobs easily and efficiently, their efficiency will suffer.

Obviously Scholars agree that innovative technology is one way that employers can boost efficiency. Having automated, electronic processes for certain tasks can free up employee time so that they can maximize their efficiency with other tasks. There are ways to tackle low efficiency. These can be as Efficiency can be combated by installing monitoring software that tracks what employees do all day long. This will eliminate wasted employee hours spent surfing the Internet or talking to friends over email and instant messaging (Blahna,2005).

Disruption to service delivery as the labor market continues to tighten, employers are increasingly concerned about maintaining a stable workforce. They need competent, dedicated, and effective workers to serve their customers to fulfill their missions. Without a sufficient qualified and productive workforce, employers are vulnerable to competitive forces as well as the impact of negative relationships with their customers. It is frustratingly difficult to find, recruit, and hire the caliber of employees that companies desire today (Gupta, 2008).

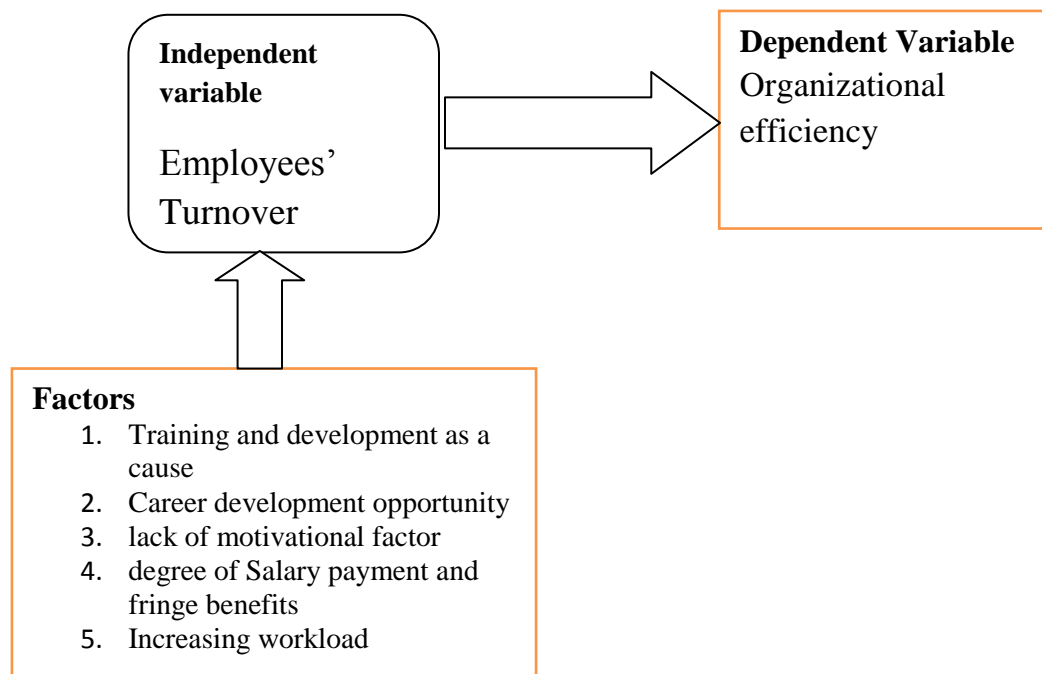
Stability in a company's workforce has a number of advantages for the company's health, for workers, for customers, for suppliers, for investors, for the industry, and for the economy at large .If the workforce is stable, management can invest its energy in moving the company forward. Leaders are not distracted by the need to continually hire new (replacement) employees, so they can concentrate on product/service development, marketing, quality and process improvement, and investment of surplus funds. They aren't required to staff their human resources department to feed "the revolving door. Stable workforce employers have a greater potential of strong profits (Edwin, 2005).

Dempsey (2003) asserts that staff turnover may have devastating effects on service rendered by the organization and these may bring deficits in meeting customer demand. This leads to customer irritation and increase in complaints. Dubois (2004) states that organizations that create work environments that attracts, motivate and retain hard working individuals will be better positioned to succeed in a competitive environment that demands quality and cost efficiency. Edwin,(2005)also agree that it is critical to understand that interdependent relationship exists between employee satisfaction and customer satisfaction and that the organization needs to focus on both these components.

Increase in work load for employees Horton, (2007), states that the escalation in the rate of labor turnover is a major concern for businesses and is clearly impacting on organizational performance. High level of stress leads to employees making unnecessary mistakes/accidents and low morale leads to them not caring about what they do. Staff turnover breaks the team spirit and group cohesion, which is necessary for the successful and smooth running the business. Gupta (2008)states that “the real cost of staff turnover leads to lowered morale among other employees who must shoulder the workload, lost revenue from sales not made, the loss of customers who fled to competitors for better service”. The morale of staff may be lowered because work overload, overtime work, substitute personnel and working with fewer staff than required is problematic. This causes an increase in errors during the performance of activities and results in poor service

2.9 Conceptual Frame

Conceptual Framework is a research tool intended to assist the researcher to develop awareness and understanding of the situation under the study. When the factors are clearly stipulated, a conceptual framework has a potential to serve as a useful tool to assist researcher on making its finding more meaningful. Therefore, the variables under the study are identified through reviewing of various literatures and the conceptual frame work of factors determining the effect of turnover on quality of work is formulated as follows.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

In order to achieve to the objective of this paper, using of appropriate methodology that helps to approach the research scientifically is the priority attention given by the researcher. Therefore, this chapter includes research design, sampling technique, instrument for data collection, procedure of data collection, method of data analysis, reliability and validity test of data including others as well as ethical issue.

3.2. Background of the organization

The Handicap International is an independent international solidarity organization established in France in 1982. The organization works in situations of poverty or exclusion, conflict and natural disasters. The association takes action and speaks out in order to meet their essential needs and improve their living conditions. It is committed to campaigning to ensure their dignity is preserved and their fundamental rights upheld.

The Organization working towards defending and promoting access to fundamental rights for people with disabilities. The Handicap International works and campaigns in over 60 countries in order to restore the dignity of people with disabilities and giving them back a role in the community. The organization focuses on the right to health, education, employment, accessibility and safety of the people living with disability

In Ethiopia, Handicap International works to improve access for vulnerable people, including people with disabilities, to humanitarian services. The organization also aims to improve people with disabilities' inclusion in society; making sure that the children with disabilities can go to school and that adults with disabilities are able to work and participate in community life. Handicap International is currently working to improve the living conditions of vulnerable people in Ethiopia and to ensure inclusion of refugees and internally displaced persons

3.3. Research Design

Research design is considered as a plan of action for collecting data, organizing and analyzing it with objective of combining the relevance of research with economy in procedures (Kothari, 2004). According to Polit and Hungler (1995) descriptive survey is about describing, observing and documenting aspects of a situation as it is naturally. It is also delineated by Geoffrey et al, (2005) as descriptive research is a research type which describes phenomena as they exist and it is used to identify and obtain information on the characteristics of a particular problem or issues.

Consequently the research design is intended to follow descriptive type. The research also employed interview technique to some concerned officials with the view of triangulating data obtained through questionnaires. A technique of triangulation was implemented among staff who are located out of Addis and in Addis, a focus group discussion was conducted with the selected participants who resided in Addis.

3.4 . Target Population and sampling

According to Adam and Kamuzora (2008) a sample is a part of population under investigation. Sampling is the procedure a researcher uses to gather people, places and anything of the study. Through samples, a researcher selects a number of individuals or objects from a population that contains representative of characteristics found in the entire group.

The sampling technique is random though it considers the issue and benefit of purposive and convinces sampling. Its intention is to keep the willingness of respondents and to enhance the degree of their participation. As per Glenn (1992), “there are several approaches to determining the sample size. These include using a census for small populations, imitating from a sample size of similar studies, using published tables and applying formula to calculate the sample size

According to per Glenn (1992), the researcher had taken the entire target population of Handicap International organization who are working in Ethiopia. They are selected entirely because they are small and enough in number to conduct the research.

3.5. Data Collection Instrumentation:

To measure the effect of turnover on quality of work, each variables which has been converted to questioner are identified by the reviewing of various literatures. The five Point Likert-types of scales is used on the organized questioner. Indeed The range of the scale is from 1 ("strongly agree") to 5 ("strongly disagree"). By doing so, questions are extracted and distributed to respondents in order to capture the required data.

The Variables that determine the effect of turnover on the organizational efficiency are identified and dependents are aligned with independent variables though statistical technique (SPSS). Furthermore; the effect of turnover on the organizational efficiency is taken as one of the variable and its questions which are designed based on likert scale are distributed. Besides that the data which had been obtained through interview and Delphi technique are considered.

3.5.1. Data Appropriateness

Using SPSS and statistical criteria was used and the study was rechecked against to them. For instance; the correlation matrix is prepared and the data is interpreted accordingly. As per the rule of statistic, the multicollijnearity test, pearson correlation test, reliability test , One way Annova and the like will be implemented and the data will be checked accordingly.

3.6. Analysis Technique

Kothari, (2004) defined data analysis as the computation of certain measures along with searching for patterns of relationship that exist among data group, as cited by Kamuzora (2008). It also refers to examining what has been collected during survey or experiment and making deduction from experiments (Chombo, 2009).The study used different technique to analyze data after they have been collected.

- 1. Qualitative Analysis:** Data from the respondents verified, compiled, sorted, edited, coded, summarized and analyzed by using the Statistical Package for Social Sciences computer software (SPSS). Before that **each variables are measured based on** The Likert scale of 5-1. The choice of this measurement is that each point on the scale carries a score and it's the most frequently used (Densombe, 2000). The application

of such kind of qualitative techniques for data analysis is also applied in order to present it in percentages and tables

- 2. Quantitative Data Analysis:** Under this scenario, it involves the numerical representation of variables. The analysis IS descriptive statistics include; frequencies, mean, and percentages, and furthermore correlation and regression analysis were developed to show how independent and dependent variables are significant to the study.

3.6.1. Model Specification Tests

Multicollinearity refers to a situation with a high correlation among the explanatory variables with in multiple regressions. it is a sample problem and a state of nature that results in relatively large standard errors for the estimated regression coefficients, but not biased estimates (Andren, 2007). It is expected that no single explanatory variable should be a linear function of another. The results showed that there is no indication of any trouble of multi co-linearity. It can be investigated by calculating of variance inflation factor (VIF) for each of the explanatory variables. If a mean value of VIF are larger than 10; there is an evidence of multicollinearity problem that calls for serious concern. Likewise, the test includes other relevant statistical methods like frequency, mean and the like

3.6.2. Linear Regression Analysis

Linear regression is a method of estimating or predicting a value on some dependent variable given the values of one or more independent variables (Andren, 2007). Statistical regression examines the association or relationship between variables. Unlike correlations, however, the primary purpose of regression is prediction. In this study multiple regressions was applied.

Multiple regression analysis takes into account the inter-correlations among all variables involved. Multiple regression analysis helps to see more than one predictor are jointly regressed against the criterion variable. This method is used to determine if the independent variables explain the variance in the dependent variable.

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + u_t$$

Where:

Y_i = organizational efficiency (it should have replaced by Employees' Turnover)

B_i - coefficient of the independent variables

X_1 = salary and fringe

X_2 = Career development opportunity

X_3 = lack of motivational factor

X_4 = Training and development

X_5 = Increasing workload

u_t = Std. Error of the Estimate

3.7. Ethical considerations

Ethical considerations require that, respondents should not be forced to participate in research. This means that prospective research participants were fully informed about the procedures and risks involved in research and must give their consent to participate. Moreover, it required a researcher not to put participants in a situation where they might be at risk or harm both physical and psychological as a result of their participation.

According to Saunders et al., (2009) the researcher should assure that the participant's responses should be treated confidentially and with anonymity of the respondents. In general, in this study the researcher asked the organization to get permission, using letter from the department, for conducting the study and respondents were asked their willingness to participate or not on cover letter of the questionnaire. Further the confidentiality of information about the respondents was secured; no personal details of individual respondents were produced on any parts of this study documents. Furthermore, any confidential information revealed by the respondents will be kept secret except used for academic purpose.

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION

This chapter is intended to present the various findings of the study based on the data collected through qualitative and quantitative methods. Generally, the results of the study were organized and presented in accordance with the major themes of the research questions. Therefore, it is classified in to three major parts. The first part deals with the demographic characteristics of the respondents (i.e age, level of education, work experience, and position of respondents) the second part portrays about the linear regression and its results. In this section the findings of the study are also triangulated and presented in light of the specific paramours mentioned on the literature. Finally, it is depicted how the organizational efficiency is affected due to the cause of employee turnover on Handicap international Ethiopia.

4.1 Rate of response In this study

According to Mugenda and Mugenda (2003), response rate refers to percentage subjects that respond to the research instrument. A response rate of 50% is deemed adequate for analysis and reporting, a response rate of 60% is good and a response rate of 70% and over is considered very good (Mugenda and Mugenda, 2003)

Here 120 copies of questionnaire to the respondents were distributed. Out of 120 distributed questioner, 105 were returned back or collected. From these, we can calculate and reach as the response rate is 87.5%./ therefore ; it can be inferred as the study is deemed to be given a superior questionnaire response rate . so it is possible to conduct or proceed.

4.1.1 Descriptive Characteristics of Respondents

In this study, demographic characteristics of the respondents were considered in order to show how every questions are perceived from the strata of different groups. The demographic features considered in the study are like age, level of education, work experience and respondents position in the organization.

4.1.2 Characteristics of the Respondents by Age

The researcher assumed that the age diversity of the respondents would be of great significance to the study because it is important to understand the existing staff profile under study.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	26	24.8	24.8	24.8
	31-40	55	52.4	52.4	77.1
	41-50	23	21.9	21.9	99.0
	>51	1	1.0	1.0	100.0
	Total	105	100.0	100.0	

Table (4.1) indicates that of the 105 respondents in Handicap International Ethiopia filled the questionnaire. Out of them, 26 (24.80%) were from 18 to 30 yrs, 55(52.400%) fell in the age of 31-40 years, 23(21.9%) were 41-50 yrs, 1(1%) was above 51 years, the cited statistics imply that the 77.2% respondents are found under the age of 18 to 40yrs. These imply as the organization has great in manpower. Furthermore; 21.9 % are found under age group 41 to 51. Again these portrays as the organization is well staffed with experienced ones. Although the turnover was expected to be high under the age group between 18 to 40 , general facts shows that it may also be common in other due to the human insatiable need nature as well as push and pull factor of the organization.

4.1.3. Characteristics of the Respondents by Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	12 and below	5	4.8	4.8	4.8
	certificate and diploma	15	14.3	14.3	19.0
	BA /BSC	59	56.2	56.2	75.2
	MA and above	26	24.8	24.8	100.0
	Total	105	100.0	100.0	

Table (4.2) portrays that Out of 105, 26 (24.80%) are graduated in MA and Above. 59(56.2%) is holder of BA/BSC, 15(14.3%) is Diploma and certificate holder, the rest 5(4.8%) are twelve and below. From these, we can infer as 85(81%) are holder of BA/BSC and above. Again these depicts as the organization has great number of intellectual groups. Meanwhile; the turnover was expected to be high due to the desire of these young employees in looking for better paying organizations.

4.1.4 Characteristic of respondents Work experience

The Handicap International Ethiopia has a manpower with a stated work experience on Table (4.3). In deed the experience of the respondents are categorized based on five years interval. According to the data, 87.6% are the man power with six and above years' experience. 12.4% has less below five years experience. Again if we categorize and put the experience of the respondent above ten and below years' experience, there personage becomes relatively equal (i.e 50% to 50%)

Table 4.3 Work experience of respondent					
		Frequen cy	Percen t	Valid Percent	Cumulative Percent
Valid	less than 5 years	13	12.4	12.4	12.4
	6_10 years	40	38.1	38.1	50.5
	11_15 years	31	29.5	29.5	80.0
	16 years and above	21	20.0	20.0	100.0
	Total	105	100.0	100.0	

4.1.5 Respondents position in the organization

Table (4.4) describes as the respondents are 31.4 % are senior expert and 15.2% are found under management groups. The rest 53.3% are the staff member who are found on different position of employee category. For instance; a low number of semiskilled and skilled worker like driver and cleaner .obviously most of the staff except skilled and semiskilled are graduates though they are found under staff category. Table (4 4) shows as the high percent (53.3%) of respondents are

found under the category of staff. These does not imply fully the turnover is only found under staff level. It should be considered as there is turnover under the management as well as expertise group.

Table 4.4 Position of respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	at management level	16	15.2	15.2	15.2
	Senior Expert	33	31.4	31.4	46.7
	Supportive staff	56	53.3	53.3	100.0
	Total	105	100.0	100.0	

4.1.6 Experience of the Organization to the cause of turnover

It is natural as most of the staff or their representatives and management groups to have a periodic meeting about their organization status. In the meeting time, it is expected as the issue of human resource will be under discussion. it can be one of the agenda because the organization goals are supposed to be realized by the real manpower. By Taking these fact in to consideration, it is assumed as the respondents may have a good insight about the organization . consequently; a question is forwarded to know whether the respondent can share their knowledge what they had in relation with the rate of the employee turnover in the Handicap international organization. the table (4.5) shows that 96% of the population had agreed as the organization has stayed though experiencing of turnover.

Table 4.5 the Organization experience to the cause of employee Turn over

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	4	3.8	3.8	3.8
	Yes	101	96.2	96.2	100.0
	Total	105	100.0	100.0	

4.1.7 Perceived Rate of turnover

Table (4.7) discloses that the majority of the respondents (96.2%) perceived as the rate of turnover is an average and below. This accord shows as the notion is the same to the notion of literature which states as turnover can be experienced in any organization but it should never be so high,

Table 4.6 Rate of turnover under the organization					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very high	1	1.0	1.0	1.0
	High	3	2.9	2.9	3.8
	Average	35	33.3	33.3	37.1
	Low	40	38.1	38.1	75.2
	Very low	26	24.8	24.8	100.0
	Total	105	100.0	100.0	

4.1.8. Employees' Turnover and organizational efficiency

As per Armstrong (2001), “long-term employees generally have higher productivity and efficiency on the job than newer employees, due to their length of experience with the firm “these implies as if the perceived turnover is high, definitely the impact on the efficiency will be reflected. To know the perception of respondents, there was a question which let us to know how individuals perceived and rate the impact on efficiency when the turnover is high. most of the respondents (72.4 %) had perceived as the impact on efficiency is average and above (i.e high and very high). On contrary, 27.6 % replied as it is low and very low which means that it does not matter to the organization.

Table 4.7 Level of organization efficiency when employee turnover is high					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very High	15	14.3	14.3	14.3
	High	16	15.2	15.2	29.5
	Average	45	42.9	42.9	72.4
	Low	25	23.8	23.8	96.2
	Very Low	4	3.8	3.8	100.0
	Total	105	100.0	100.0	

4.1.9 Management strategies on the realization of increasing organization efficiency

Table 4.8 Perceived impact of management strategies on the realization of increasing organization efficiency					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	9	8.6	8.6	8.6
	Very large extent	25	23.8	23.8	32.4
	Large extent	38	36.2	36.2	68.6
	Moderate extent	32	30.5	30.5	99.0
	Small extent	1	1.0	1.0	100.0
	Total	105	100.0	100.0	

The data collected in relation with the question like how the organization has managed employee turnover and improve organization efficiency, most of the respondents (90.5%) accord shows as the impact is moderate and above these resembles with the ideas which is stated on the literature as it is determinant.

4.1.10 Functional HR Management System on Turnover

The result reflected on the table (4.9) in relation with the question regarding the contribution of functional human resource management system for managing employee turnover depicts that above 65% respondents agree as HR has contribution.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	11	10.5	10.5	10.5
	Small extent	24	22.9	22.9	33.3
	Moderate extent	6	5.7	5.7	39.0
	Large extent	31	29.5	29.5	68.6
	Very large extent	33	31.4	31.4	100.0
	Total	105	100.0	100.0	

4.2. Discussion on the causes of employees' turnover

Here the findings of the study are analyzed in light of the research questions together with theoretical explanations and the existing body of literature in the area. First the attempts were also made to analyses the open ended data what we got on the research question and secondly the data obtained through discussion will be expounded as follows.

Investing lots of resources in recruiting, selecting, training and continually equipping employees in an organization will not take anywhere unless and otherwise the organization being able to design a mechanism in retaining them for the longest time possible (Rehman, 2012).

Handicap International (HI) had never faced high staff turnover. Even if it is so, according to the discussion with managers,

“The cause of turnover in Handicap International Ethiopia is directly related with salary and fringe benefit, career development and workload, with these three factor, the project staff are caused to leave the organization. The reason are:

1. 81% of the staff of Handicap International Ethiopia are graduate in first degree and above, whereas the opportunity to grow up based on career is too difficult. These may be related with the degree of turnover under management groups. Obviously the payment and fringes at the management level is more attractive as compared with the payment and benefits of the project staff. Due to that the management groups stay in the organization for a long . These left a high impact on the caterer development of project taff and leads to leave the organization in order to get better payment. “
2. The cause may be related with the nature of the project what they handle. For instance at the end of the project year, project staff turnover increases because of the contract measure. To secure their job, they become a job seeker. These can expose the organization to be in problem, to keep the project continuity, the burden of the project will be left up on the employee who had stayed in the organization. In turn, it creates a workload which is not commensurate by payments.

The participants are requested to give their own opinion regarding the turnover in Handicap International Ethiopia as compared with their previous organization. The forward shows “the turnover in Handicap International Ethiopia is moderate as compared with their previous organization. “In line with the research topic, the participants are requested and technique of triangulation is used, the discussion result shows “ the effect of turnover on the Handicap International organization efficiency is relatively found on average level. It is mainly manifested on the held projects. The causes are identified and the organization human resource management is on the way to handle and curb them before it goes out of control. The organization has also employee retention mechanism though it requires modification which can be aligned with the current situation. Participants agree that Handicap International Ethiopia should have a clear and updated turnover management strategy. And there also must exist a meeting between the staff and management groups in order to give solution for problems.

To put in in the nut shell, the discussion has shown that if the organization encounter high turnover, it will lead to be behind the schedule in utilizing budget and unable to implement quality programs for their beneficiaries. Furthermore, their relationship with donors, regulatory

bodies and beneficiaries becomes questioned and existing staffs will be stressed due to the additional responsibilities to cover the vacant posts. In contrary; it should never be denied that a certain amount of staff turnover is acceptable so as to inject new bloods in the organization. It also helps to reduce the less productive staff and replace with productive ones .However, if the rate of turnover is beyond the acceptable level, it becomes a challenge for senior managers and the organization as well.

4.3. Linear regression

Following the frequency analysis result, the finding strives to depict how the linear regression is reflected with Cause and effect of employee turnover on the organization efficiency as dependent variable over the independent variable like training and development, motivation, carrier development, incentive and workload. These can be expound based on the linear regression analysis as follows:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + u_t$$

Where:

Y= cause and effect of employee turnover on organizational efficiency

Bi- coefficient of the independent variables

X1= Salary and fringe

X2 = Career development opportunity

X3= lack of motivational factor

X4= Training and development

X5= Increasing workload

ut= Std. Error of the Estimate

Table 4.10 Statistics

		Organizational Efficiency	Lack of motivation factor	Training and Development	Career Development Opportunity	Salary and Fringe	Increase work load
N	Valid	105	105	105	105	105	105
	Missing	0	0	0	0	0	0
Mean		3.39	3.19	2.53	3.37	3.63	3.89

4.3.1 Test Result of Regression analysis

Here in the study, the researcher strived to show the model regression using multicollinearity test, Pearson correlation, reliability test using cronbach alpha and one way an nova.

4.3.1.1. Reliability Test

In statistics, reliability is the overall consistency of a measure. Its value is designated by cronbach alpha which is between zero and one. When the alpha value is one, it implies as there is a high reliability or consistency. If not, there is no consistency. Here the variables under study is seen on the below table as its cronbach alpha is 0.885. Hence we can infer as there is a strong reliability with in the variables under study.

Table 4.11 TableReliability Statistics

Cronbach's Alpha	N of Items
.879	6

4.3.1.2 Multicollinearity test

Obviously multicollinearity test helps to diagnose the presence of the degree of correlation among variables in a model. Multicollinearity refers to a state wherein there exists inter-association or inter-relation between two or more independent variables. According to the criteria which demands the variance inflation factor (VIF) must be found between one and ten. hence our regression analysis in the table below shows as all independent variables has a value between one and ten. Hence their variance inflation factor value indicates as independent are strongly correlated in relative term with the dependent variable. So the model is fit for study according to the test.

4.3.1.3. Pearson correlation test

Pearson correlation coefficient, also known as Pearson R statistical test, measures strength between the different variables and their relationships. The Pearson coefficient correlation has a high statistical significance. The correlation value must be found between negative one and

positive one. When the Pearson value is zero, it means the variables under study do not have any correlation. Whereas if they do have a value of positive one, their correlation is positive. If there Pearson value is negative one, variables are related inversely and negatively. Here the table below shows how each of independent variables is positively correlated with the dependent variables

4.3.1.4 Test result of normality

In deed statistician articulated the value of Kolmogoro should be between negative 1.96 and positive 1.96. The value near to zero is best in distribution according to Kolmogoro. Regarding the sharpiro, it should be greater than 5%. . Since the significance value is less than 5%, the dependent variable is ordinally distributed

Table 4.12 Normality test

	Degree of salary payment and fringe	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Organizational Efficiency	Strongly disagree	0.276	16	0.002	0.762	16	0
	Disagree	0.274	37	0	0.802	37	0
	Neither agree nor disagree	0.205	39	0	0.889	39	0
	Agree	.	6	.	.	6	.
	Strongly Agree	0.421	7	0	0.646	7	0

4.3.1.5 ANNOVA Results

It also shows us a way to make multiple comparisons of several populations means. It shows the degree of influence of variables under study. Here the significant level is considered as 0.05. Hence our table below shows as the degree of significance is below 0.05. So the degree of confidence is 95%

Table 4.13 ANOVA

		Sum	of	Mean		
		Squares	df	Square	F	Sig.
Lack of motivation factor	Between Groups	28.910	4	7.227	5.116	.001
	Within Groups	141.281	100	1.413		
	Total	170.190	104			
Training and Development	Between Groups	27.800	4	6.950	8.241	.000
	Within Groups	84.333	100	.843		
	Total	112.133	104			
Increase work load	Between Groups	103.011	4	25.753	46.303	.000
	Within Groups	55.617	100	.556		
	Total	158.629	104			
Salary and fringe	Between Groups	109.429	4	27.357	55.735	.000
	Within Groups	49.085	100	.491		
	Total	158.514	104			
Career Development Oportunity	Between Groups	128.571	4	32.143	51.891	.000
	Within Groups	61.943	100	.619		
	Total	190.514	104			

4.4. Model Summary

Here the R-Square value is 0.630. These imply the model is fit. To make very clear, the independent variable has a good influence on the model dependent variable.

Table 4.14 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794 ^a	.630	.616	.752

a. Predictors: (Constant), Career Development Opportunity, Degree of salary payment and fringe, Lack of motivation factor , Training and Development

b. Dependent Variable: Organizational Efficiency

4.4.1. Here we can see the constant value and the coefficient of retrogression .

Table 4.15 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.657	.257		2.561	.012
	Training and Development	-.138	.072	-.118	-1.932	.056
	Salary and Fringe	.434	.133	.442	3.263	.002
	Lack of motivation factor	-.103	.064	-.109	-1.622	.108
	Career Development Opportunity	.238	.102	.266	2.339	.021
	Increase work load	.266	.095	.271	2.794	.006

a. Dependent Variable: Organizational Efficiency

4.4.2 Linear regression equation

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + u_t$$

From the table 4.18, the coefficient values, constant and the residual are as follows :

$$\beta_1 = 0.434, \beta_2 = 0.238, \beta_3 = -0.103, \beta_4 = -0.138 \text{ and } \beta_5 = 0.266, \beta_0 = 0.657 \text{ and } u_t = 0.752$$

Using the mean value of each of the items under study, we tried to infer the result as follows

$$Y_i = 0.657 + 0.434(3.63) + 0.238(3.37) - 0.103(3.19) - 0.138(2.53) + 0.266(3.89) + 0.752$$

The result is $Y_i = 4.143$

When the comparison is done between the mean value of organizational efficiency (i.e 3.39) and the mean value based calculated result (4.143) , there is slight statistical difference (i.e 0.753= 18%) . Hence the turnover in the organization can be inferred as it is found on an moderate level and its impact on the efficiency is moderate. These can be witnessed by with the previous data what we got from the 96.2% of respondent who expounds as the turnover in Handicap International Ethiopia is low.

Regarding the relation between the dependent with the independent, the dependent variable has indirect relation with motivation as well as Training and Development but it has direct relation with the salary and fringe, career Development and workload variables. These may imply as the organizational efficiency is directly impacted with the nature of workload, career development and Salary and fringe.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

Introduction

The previous chapter focused on data presentation and interpretation of results. This chapter deals with the conclusion and Recommendation in accordance with the objectives of the study and literature review. The main aim of this study was to assess the cause and effect of employee turnover on organizational efficiency in the case of Handicap International Organization in Ethiopian program. Therefore from the study, the drawn conclusion and recommendation are as follows

5.1 Conclusion

To achieve the research objective, data are collected through questionnaire from existing and management staffs. Besides the overall trend and documents was collected from the Human Resource and Administration Department of the organization.

Since there is no research conducted up on the organization regarding cause and effect of employee turnover on organizational efficiency, the rate per year is still unknown by the organization human resource department. Even some data is observed, it does not give clary information.

According to the data obtained from the organization's human resource department, currently there are 120 employees and management groups who are working in Ethiopia. In order to achieve the major objectives of the paper, the entire representative were taken under study. (i.e existing employee and management groups in Ethiopia as a whole) .Out of the distributed 120 questioners, 105 is collected.

The data obtained from the organization expounds as most susceptible department in organization is program department. Moreover, the data also shows that the average number of employees who terminated are categorized under voluntary turnover.

The response obtained from the questionnaire point out as employee who resigned as well as existing staffs have favorable relationship with their immediate supervisors.

Obviously A *conducive* work environment is an environment where there is positive energy, many resources offered and the working content is enjoyable. In addition, a supportive and conducive work environment is a key success for any organization because results are achieved through people and when the working environment is not conducive employees will not be happy which results in turnover in the organization. Even if these fact is known, According to the study, there is a work load in the handicap international Ethiopia which can trigger a stress up on employees. These had created unfavorable working environment. In lne to it, the respondents who participated from each category agrees that the workload of staffs is beyond normal. These notion is supported by 40.9% of respondents who agree as they are found in the environment with increasing workload.

The employee who resigned and existing staffs also complain that the payment they receive does not commensurate with the workload. These notion is substantiated by 39.1% respondents as they believe that they have been paid well. Majority of them believe as it is not satisfactory.

Motivating your workers to share the vision of your business and perform at high levels is tough after professionals or key persons are resigned. Workplace relationships are key to an employee's satisfaction. As friends and colleagues leave, remaining workers perpetually got to cycle through the method of going to understand new workers. Even if the fact is so, the study shows that 41% of the respondents witness as the environment is not as such motivating. Then they rated as the working environment of the organization is moderate, however; they appreciate the social relation what they do have. Furthermore; 32.4% of respondents agree as there is a training and development in the organization. even it is so, they rated their relationship with subordinate is moderate.

In organizations where there are abundant promotional opportunities, employee turnover is lower than in organizations where there is a few promotional opportunities. Lack of promotion and mundane work task considerably contributed to employees' intention to go away a company. By adopting "job enrichment" programs, several employers were able to retain workers and supply

higher career advancement opportunities. Though the facts show that the respondent in relation with career development are 44.7% . These shows as there is problem in relation with it in the organization

In addition, more than half of the respondents believe that the environment has significant impact on their future stay in the organization. The data shows as all management staffs have a qualification of first degree and above. They developed their leadership skill through training and experience besides their academic knowledge. They believe as they do have the capacity to change the environment and retain the professionals and key persons as they need even if they may have the constraints.

5.2 Recommendations

The efforts exerted by management to reduce staffs turnover and to retain competent staffs are moderate and should continue if they have an intention to use new bloods to the organization. In most situations, the cause of staff turnover is a combination of one or more factors. Therefore, the appropriate solution for the problem is to identify the major causes and its effect through research and treating the finding result properly. Here Based on the analysis and findings, the following recommendations are drawn to strengthen the effort of the management and enable the future researchers to have a good insight;

- Most of the staff and managements are young's and have an acquired knowledge from academic environ. Since there are many NGO's in the country who are working with the community, it should be suspected as these professions are more exposed to compare themselves with others who are on the same level. Therefore, Handicap international Ethiopia should evaluate its salary and benefit structure and should apply competitive pay which can consider the work load and the working environment as whole.
- To avoid resignation of staffs, the management groups should give detailed and proper orientation including the drawbacks of the working environment, security, health and safety issues, fringe benefits and the like . Furthermore; managements are expected to encourage the new comers in order to create friendly environment.

If it is possible they have to Acquaint the new comers to each and every members of the organization including the culture of the general working environment.

- In order to uplift the relationship among staffs, the management use and improve the scheme of staff outing program and provide the required professional assistances with the full context of the situations.
- Working beyond the normal 8 hour per day will cause employees to fade up with the job, reduces performance and cause to puzzle the employees. This result in low quality of service to beneficiaries and unexpected runaway of employees. Therefore, management needs to identify the cause of the work load, conduct job analysis and based on the finding, it is better to hire assistants or add additional employees to support the position.
- Since the program workers are spending a lot of time in the field area which has no satisfactory infrastructure and entertainment facilities, the management should rethink of providing entertainment mechanisms. Moreover, since these peoples are living far from their family and friends, the organization should consider increasing the existing rest and relaxation time in terms of if possible day off.

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APPENDIX

SAINT MARY UNIVERSITY

MBA PROGRAMME

QUESTIONNAIRE

Dear Participants,

The purpose of this questionnaire is to collect data related to the causes and effect of employee's turnover on the organizational efficiency the case in Handicap international. Your response will be kept confidential and I kindly request you to participate voluntarily in this study. The quality of this study depends up on your genuine response. Thank you in advance for your kind cooperation. This questionnaire has four parts which is filled by staffs of Humanity and Inclusion

Part 1

Personal Information

(Instruction -Tick where appropriate)

1. Age:

- 18-30yrs
- 31-40yrs
- 41 –50 yrs
- 51 yrs and over

2. Highest Education Level

- 12 and below
- Certificate and Diploma
- BA/BSc
- MA and above

3. Working Experience

- Less than 5 years
- 6-10 Years
- 11-15years
- 16 years and above

4. Position in the organization

- At management level
- Senior expert
- Supportive staff

Part 2: Actual Reasons for Employees Turnover

1. Does the organization experience cases of employee turnover?

- Yes
- No

If Yes/No explain.....
.....

2. How could you rate the level of employee turnover in the organization?

- Very High
- High
- Average
- Low
- Very low

3. Please indicate how you agree on the following reasons of employee turnover in Handicap International

Please record your answer by ticking at the space provided, by the scale indicator.

(1= Strongly Disagree, 2 = Disagree, 3 = Neither agree nor disagree, 4 = Agree, 5 = Strongly Agree)

Causes of turnover	1	2	3	4	5
Lack of Training and Development					
Lack of Career Development					
Lack of motivations					
Lack of salary and fringe benefits					
Increase in workload					
Cause and effect of turnover					

If any other mention _____

4. If you were to leave the organization today, what could be your probable reason/s for leaving the organization?

.....

.....

Part 3: Effect of Employees' Turnover on Organization Efficiency

1. Does employees' turnover affect the organization efficiency?

- Yes
- No

If Yes/No explain.....

.....

.....

2. How could you rate the level of organization efficiency when employee turnover is high?

- Very High
- High
- Average
- Low
- Very low

3. Please indicate the extent to which the following causes of employee's turnover affects organization efficiency. Please record your answer by ticking at the space provided, by the scale indicator.

(1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent)

Causes of turnover	1	2	3	4	5
Beneficiaries/Partners/ Donors dissatisfaction					
Disruption to service delivery					
Loss of Partnership					

4. What is the impact of employees' turnover on organization efficiency at HI? (Explain)

.....

.....

Part 4: Possible Solutions for Reducing Employees Turnover at Humanity and Inclusion

1. Are there measures employed by the organization to manage employee turnover?

- Yes
- No

If Yes/No explain.....

2. How could you rate the effectiveness of the employees' turnover management strategies?

- Very High
- High
- Average
- Low
- Very low

3. Please indicate the extent to which the following possible solutions for managing employee turnover could affect organization efficiency. Please record your answer by ticking at the space provided, by the scale indicator.

(1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent)

Managing employee turnover	1	2	3	4	5
Competitive remuneration					
Foster employee development					
Create an open communication between employees and management					
Have a functional Human Resource Management Systems					

4. Could you briefly explain other possible solutions of reducing employees' turnover at HI? (Explain)

.....

5. Could you suggest how other business organizations have managed employee turnover and improve organization efficiency

.....

.....

Section 4: Effect of the Strategies in Managing Employees Turnover at Humanity and Inclusion

1. Do the employer employees' turnover management strategies help in minimizing the rate of employee turnovers rates in the organization?

- Yes
- No

If Yes/No explain.....

.....

2. To what extent do the employed employees' turnover management strategies affect realization of increased organization efficiency?

- Very Large extent
- Large extent
- Moderate extent
- Small Extent
- Not at all

3. Could you suggest how the organizations should improve on strategies for Managing Employees Turnover?

.....

.....

Thank you



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SAINT MARY UNIVERSITY

MBA PROGRAMME

KEY INFORMANTS INTERVIEW QUESTIONS

Hello, my name is Tsehai Woldemicheal and I am a student in MBA Saint Mary University, Department of Business Administration. I am doing my thesis for the partial fulfillment for the Master's Degree in business Administration and I need your help in acquiring data that is essential for the research I am conducting. This study is being conducted to gather data and information on the causes and effect of staff turnover on the organizational efficiency in Handicap International. The information you provide will be kept strictly confidential and will only be used for research purposes. Thank you very much for your cooperation and consent to respond to the interview question

Position _____

Work experience in the organization _____

1. What do you think causes of employee's turnover in the organization?
2. How do you rate the employee's turnover in the HI as compared to the previous organization?
3. What is the effect of employee's turnover in the organizational efficiency?
4. What mechanisms does the organization set to manage and reduce staff turnover? do you think that are the mechanisms effective
5. What do you recommend to reduce the employee's turnover in the organization?

APPENDX

Table 4.X₀ Statistics

		Cause and effect of TO	Lack of motivation factor	Degree of salary payment and fringe	Increase of work load	Training and Development	Career Development Opportunity
N	Valid	105	105	105	105	105	105
	Missing	0	0	0	0	0	0
Mean		3.10	2.85	2.84	2.86	2.99	2.99

Table 4.X₁.Cause and effect of TO

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	18	17.1	17.1	17.1
	Disagree	20	19.0	19.0	36.2
	Neither agree nor disagree	19	18.1	18.1	54.3
	Agree	30	28.6	28.6	82.9
	Strongly Agree	18	17.1	17.1	100.0
	Total	105	100.0	100.0	

Table 4.X₂.Training and Development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	12	11.4	11.4	11.4
	disagree	18	17.1	17.1	28.6
	Neutral	41	39.0	39.0	67.6
	agree	27	25.7	25.7	93.3
	strongly agree	7	6.7	6.7	100.0
	Total	105	100.0	100.0	

Table 4.X₃ Career Development Opportunity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	19	18.1	18.1	18.1
	disagree	20	19.0	19.0	37.1
	Neutral	19	18.1	18.1	55.2
	agree	37	35.2	35.2	90.5
	strongly agree	10	9.5	9.5	100.0
	Total	105	100.0	100.0	

Table 4.X₄ Lack of motivation factor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	21.9	21.9	21.9
	Disagree	22	21.0	21.0	42.9
	Neither agree nor disagree	17	16.2	16.2	59.0
	Agree	34	32.4	32.4	91.4
	Strongly Agree	9	8.6	8.6	100.0
	Total	105	100.0	100.0	

Table 4.X₅ Degree of salary payment and fringe

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	21	20.0	20.0	20.0
	Disagree	23	21.9	21.9	41.9
	Neither agree nor disagree	20	19.0	19.0	61.0
	Agree	34	32.4	32.4	93.3
	Strongly Agree	7	6.7	6.7	100.0
	Total	105	100.0	100.0	

Table 4.X₅ Increase work load

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	23	21.9	21.9	21.9
disagree	22	21.0	21.0	42.9
Neutral	17	16.2	16.2	59.0
agree	33	31.4	31.4	90.5
strongly agree	10	9.5	9.5	100.0
Total	105	100.0	100.0	