

**ADDIS ABABA UNIVERSITY
COLLEGE OF MANAGEMENT, INFORMATION AND ECONOMIC
SCIENCES**

SCHOOL OF BUSINESS AND PUBLIC ADMINISTRATION

MBA PROGRAM

**PROFESSIONAL EMPLOYEES TURNOVER AND RETENTION
PRACTICES OF ETHIOPIAN PUBLIC SECTOR ORGANIZATIONS OF
MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT (MoFED)**

**A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS AND
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Statement of Certification

This is to certify that Ato Asmamaw Argeta has carried out his research work on the topic
entitled

**“Professional Employees Turnover and Retention Practices of Ethiopian Public Sector
Organizations of Ministry of Finance and Economic Development (MoFED)”**

The work is original in nature and is suitable for submission for the award of Masters Degree in
Business Administration (MBA).

Advisor: Salehu Anteneh, PhD

Date: _____

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Acronyms

BPR- Business Process Reengineering

EHLPCO- Ethiopian Hydro Electric Power Corporation

HR- Human Resource

HRPO- Human Resource Process Owner

MoFED- Ministry of Finance and Economic Development

SPSS- Statistical Package for the Social Sciences

Abstract

The quality of service delivery of any organization depends on the presence of committed and talented employees. Employees are main sources for organizations in meeting objectives in both public and private sector organizations. Therefore, giving emphasis for employees become a big issue particularly in public sector organizations. Professional employees' turnover in public sector organizations is more common than other organizations.

Having this in mind, the present study is aimed to explore the professional employees' turnover and retention practice focusing on MoFED. Theoretical framework and models of other scholars was used by modifying in our country context to know the real causes of turnover

Both qualitative and quantitative method are employed the present study. In order to collect primary data, a self-completed questionnaire is designed and administered to both current and ex-employees of the organization. In addition, interview was conducted with management of the organization and HRPO department. The SPSS version 17.00 for windows is used to process the primary data which is collected through questionnaire.

The findings show that professional employees turnover is caused by uncontrollable and controllable variables including demographic factors. Therefore, Public sector organizations should employ different strategies to retain their employees as the whole and MoFED in particular..

Key words: Professional, Employees, Turnover, Retention, Ministry of Finance and Economic Development

Chapter One

Introduction

1.1 Background of the Study

Professional employees' turnover is an important and pervasive feature of the labour market (Martin C., 2003:391). Labour turnover affects both workers and the organizations. Workers experience disruption, the need to learn new job-specific skills and find different career prospects. Organizations suffer the loss of jobs-specific skills, in performance of organization and incur the costs of hiring and training new workers (<http://www.le.ac.uk/economics/research>).

Turn over is a serious and costly problem but it is rarely seen as such by the people who could take action to prevent it (Jenkins S., 1988:44). In broader sense, turnover refers to the movement of into and out of the organization by the workforce (Fhippo E.B., 1980:126). Labour turnover is an important parameter indicating the overall health of industry or an establishment in terms of wages, industrial relations, working conditions and other welfare facilities provided by employers to the workers. High rate of labour turnover indicates lack of stability in the labour force (<http://www.laboureau.inc.in/Asi203c/chptr.111/lab/labour.htm>).

Managers must be cognizant of the effects that working conditions have on employees job satisfaction and commitment levels since there is significant economic impact with an organization losing any one of its critical employee. Combined with direct and indirect costs, the total cost of employee turn over is a minimum of one year's pay and benefits or a maximum of two years pay and benefits (Fitz-enz, 1997). 58% of organizations claim that they are experiencing difficulty retaining these employees (Hale, 1998). The challenge, then, is to develop a corporate culture that is extrinsically rewarding resulting in workforce of highly satisfied, effectively committed workers.

Companies and organizations strive to develop a workforce of committed employees based on the belief that organizations with committed employees achieve superior long-term performance (Luchak & Gellatly, 2007). Committed employees are characterized as loyal, productive members of work organizations (Porter, Steers, Mowday and Boulien, 1974) who identify with organizational goals and values (Buchanan, 1974). Employees attach to their organizations emotionally as they become to believe in its value and vision (Mulki,

Jaramillo and Locander, 2006). The notion of commitment has been broken down into three levels; affective, continuance, and normative. Ideally for organizations, employees will have affective level of commitment. Affective commitment refers to the employees' emotional attachment to, identification with, and involvement in the organization.

Employees with a strong affective commitment continue employment with organization because they want to do so. Continuance commitment refers to awareness of the costs associated with leaving the organization. Employees that exhibit continuance commitment remain with organization because they need to do so. Finally, normative commitment refers to employees that feel they ought to remain with the organization (Meyer and Allen, 1991).

A wide array of desirable outcomes has been linked to work-related commitment including employee retention, job performance, attendance work quality, and personal sacrifice on behalf of the organization (London, 1983). Steers (1983b) reported substantial negative relationship between organizational commitment and intent to turnover.

High turnover causes problems for organization. It is costly, lowers performance and morals and also tends to get worse if not dealt with. (<http://labourbureau.nicnin/Asi203c/chptr.11/lab/labour.htm>).

Employees turnover is a ratio comparison of the numbers of employees employed during that period (http://www.wisegeek.com/what_isemployee-turnover.htm).

Most organizations find that employee's turnover is reduced when they address issues that they affect overall company or organizations morale vis., by offering employees benefits such as reasonable flexibility with work and family balance, performance reviews, and performance based initiative, a long with traditional benefits such as paid holidays or sick days. The extent an organization will go to in order retain employees depends not only on employees replacement costs, but also on overall costs of organizations performance. If an organization is not getting the performance it is paying for, replacement cost is a small prince to pay in the long run. (http://www.wisegeek.com./what_is_employee_turnover.htm).

Turnover of employees consists of both voluntary and in voluntary. Voluntary turnover is a major problem for organizations in many countries (Syrett, 1994).

Porter and Steers (1973) suggested that the issue of met expectations was central to the individual's decisions to leave an organization. Each employee has his or her own set of expectations upon entering an organization. Should these expectations not be met, the individual will become dissatisfied and leave. Mobley (1977) suggested that a negative

evaluation of the present job leads to job dissatisfaction, thoughts of quitting, and an evaluation of job seeking expectation utility and cost of quitting.

In Ethiopia, even though few studies like: study conducted on ERA and IRC shows about turnover of employees, there is no empirical studies conducted on public organizations professional employees turnover which were supported by formal and published research. Therefore, the present study is done on MoFED (Ministry of Finance and Economic Development) because of employees turnover is a big issue in the organization. Currently, most young employees are leaving the organization due to unknown reasons.

Hence, this study clearly identified the causes of employees' turnover and its management or retention mechanism will help in developing appropriate policy and training program at country level in general and at public organizational level in particular.

1.2 The Research Problem

Various studies were carried out to understand the major causes of employees turnover and retentions mechanisms that organizations should develop. Most of these studies were carried out by developed countries and few developing countries. Some studies indicate that every aspect of organizations is employees because turnover of employee leads to incurring of costs.

MoFED is a public owned minister office providing different services to the country. Its main aim is proposing budget for the different regional states, public institutions and other similar services.

High turnover has become a problem for both private and governmental organizations. Well experienced and qualified professionals leave positions that they held in government offices. Ethiopian Finance and Economic Development Minister organization is one victims of this high professional employee turnover, currently. MoFED is facing frequent turnover of staff, and as such the high turnover is costing the minster office in terms of productivity (performance), money and time. This study primarily focuses on answering the following basic/research questions.

1. What are the major causes of staff turnover in MoFED?
2. What are the consequences of high staff turnover in the organization?
3. Do MoFED have any mechanism of that reduces professional staff turnover in its organization?

4. What is the attitude of management staff with regard to employees' turnover and retention practice?
5. Which professions young or experienced are more susceptible for turnover?

1.3 Research Objectives

The main objective of this research is to identify the major causes behind the frequent professional staff turnover in MoFED and provide positive suggestions in order to reduce turnover and retain competent employees.

The specific objectives of the study are:

- To see if such attributes such as age, tenure are causes of turnover.
- To see whether the incentive system of the organization is a factor for turnover.
- To investigate if the employee-boss relationship is fostering staff turnover.
- To examine whether turnover is caused by a miss-match between employees and positions they hold in the organization.
- Know the feelings of existing management and staff about employee turnover.
- To examine what is the level of young professionals' interest to stay in the organization.

1.4 Delimitation and Limitation

Employees' turnover is broad in the sense it comprises voluntary and involuntary turnover. This study however addresses only voluntary turnover of the organization. The study also delimit itself on voluntary turnover in the minister office, it does not focus on regional state office of economic and finance development bureaus. Also with in the minister office the study focuses on professionals or those technically qualified personnel who do have both managerial and non-managerial positions.

Limitations of this study includes: challenges of implementing effective retention of employees will not be included, there are also little or no empirical studies that have been done in Ethiopian context on the issue particularly public sector organizations, not including regional states office may be also other limitation, difficulty of getting ex-employees of the organization this leads to depend on few and not the representative of ex-employees.

1.4 Significance of the Study

Governmental and public sector organizations success can be measured mainly through delivery of quality service to their beneficiaries. This can be achieved through well formulated plans and programs, allocation of resources, assignment and retention of committed and competent staffs. However, in MoFED it is not as explained above. Since skilled manpower turnover rate is high the organization's intended objectives and expected results are not achieved. Therefore, the researcher highly anticipated that the results of this study have the following significance.

- It will help public or governmental organization including those at regional and woreda level to understand how manpower turnover affects organizations.
- Provides knowledge and understanding on employees and organizations to be inseparable.
- It will serve as base for interested researchers on the issue in conducting future and detail study in the area.
- It provides information for public and private sector organizations how effective retention of employees contributes for organizational performance and help to design feasible strategic plan.

1.6 Potential Ethical Issues of the Study

Confidentiality – the respondents will be assured that they will not be confused and that their response will remain confidential. The information they provide is confidential and used for academic purpose only.

Organizational approval – A written letter that explains the research idea as well as a copy of the research proposal will be provided to study the site. The researcher will obtain approval prior to any research activity at the specified location is carried out.

Informed consent – Cover letters explain the purpose of the questionnaire and the right to accept or refuse to participate in the research activities will be given to the respondents of this study. As well as explaining the purpose of the study and for what purpose the study is conducted.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

2.1 Definition of employee turnover

Employee turnover occurs when employees leave their jobs and must be replaced. The world web dictionary defines employee turnover “as the ratio of the number of workers that had to be replaced in a given time period to the average number of workers” (www.wordnet-princeton.edu). The Chartered Institute of Personnel and Development (2007:1) defines employee turnover as the “ratio comparison of the number of employees an organisation must replace in a given time period to the average number of total employees”. In their own definition, Abassi and Hollman (2000: 305) define turnover as the “rotation of employees around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment”.

Turnover, according to Iverson and Pullman (2000: 980) can be classified as voluntary (to include withdrawals out of volition) or involuntary (to include layoffs and dismissals). Voluntary turnover often results in departing employees migrating, in most cases, to competing firms, creating a more critical situation since their transferred knowledge can be used to gain.

2. 2 Definition of employee retention

Retention is a voluntary move by an organisation to create an environment which engages employees for long term. According to Chaminade (2007: 1), this attachment relationship should be durable and constant and link the employee to the organisation by common values and by the way in which the organisation responds to the needs of the employees. The main purpose of retention is to prevent the loss of competent employees from the organisation, which could have an adverse effect on productivity and service delivery. Also, retention allows senior and line managers to attract and effectively retain critical skills and high performing employees. This is achieved by providing these managers with information on retention and retention strategies that will ensure that the goals and objectives of the organisation are realised.

Creating a retention strategy means placing the employees' needs and expectations at the centre of the organisation's long-term agenda in order to ensure the professional satisfaction of the employee and create a trusted relationship. In this stable relationship, the employee remains in the organisation by personal choice based on free will and considered decision. Retention of employees is crucial to the overall success of any organisation.

Talented and high performing employees should be encouraged to remain in the organisation by designing retention policies that will provide individual employees with opportunities to demonstrate their skills and ensure that they are matched with the right jobs. Such retention policies should, in the view of Nyoka (2006: 2) also include strategies that will enable employees to balance their work life demand with their family life by establishing family friendly policies and enabling flexible work arrangements to accommodate essential personal commitments. With such effective retention policies in place, managers are able to keep the employee turnover at a manageable rate.

It is imperative for organisations through the employment process, to attract quality employees to the organisation. However, it is more important for managers to devise strategies with which to retain these talented employees in the service of their organisations in order for employers to benefit from the investment already made in them. Employee retention is one of the most critical issues facing organisational managers as a result of the shortage of skilled manpower, economic growth and high employee turnover. Phillips and Connell (2002: 1) state that employee retention involves being sensitive to employees' needs and demonstrating the various strategies in meeting those needs. These strategies, according to Czakan (2005: 8) include career growth and development, competitive compensation benefits, opportunities for training and supportive management. Apart from the strategies mentioned above, employers should use a flexible approach to encourage retention and this approach should consider a number of value-adding components. Such components, Brown (2006: 2) contends include mentoring/coaching, opportunities for skill and career development, as well as flexibility around the frequency and size of performance rewards and incentives. The whole process of retention is to ensure that employees are retained in the organisation, especially employees with valued or needed skills or experience in a scarce/critical field (where recruitment is difficult) competitive advantage. Turnover is a costly expense and a huge concern to employers and must be avoided. High turnover represents a considerable burden on human resource and line managers, who constantly have to recruit and train new employees.

2.3 A global overview of employee turnover and retention

In the United Kingdom (U.K), the Chartered Institute of Personnel and Development (2007: 1) reports that the overall turnover rate for the U.K. in the year 2006 was reported as 18.1%. Turnover rates vary from sector to sector with the highest level of turnover (22.6%) found in the private sector organisations with the public sector having an average turnover rate of 13.3%. In the United States of America (USA), Smith (2007:1) argues that businesses spend over USD200billion annually recruiting and replacing their employees. In the healthcare sector in USA for example, a report by Sellgren, Ekvall and Tomson (2007: 169) estimates that the turnover rate would reach a level of 29% in year 2020. Gustafson (2002: 106) shows that the hospitality industry in the USA and elsewhere is experiencing a labour shortage with the attendant high rate of turnover. Kaufman (1998: 54) forecasts a considerable current and future shortage in the supply of information technology (IT) professionals in the USA. A jobs forecast by Computerworld (1998: 1) estimates that there were 350 000 vacant IT jobs in the USA in 1998 with a forecast of 1.3million more IT professionals needed in the next decade with a turnover rate of 13% or higher. This suggests that turnover would continue to be a problem in the years ahead. To reduce the ever increasing turnover rates, organisations must understand and put in place the right strategies to retain these professionals. According to Lockwood and Anari (1997: 252) the following factors were listed as crucial retention strategies for IT professionals in the USA and U.K in the order of importance: Money (base salary plus bonus and stock options); the chance to learn new skills (i.e. those that the market values); the reputation of the organisation in technology; and working conditions (e.g. physical, colleagues & boss, casual dress). On retention strategies that were particularly successful in maintaining a low turnover rate, one of the solutions suggested was an increase in salary. A Computerworld (1998: 1) survey found that the majority of IT professionals admitted to having left their former organisations for more money, while a little above half of these professionals left for career advancement. Common practice suggests that most people need a vacation break to prevent job stress and burnout. Furlonger (1997: 3) reports that Scandinavian and European organisations typically offer more vacation benefits and three day weekend mini-vacations than their USA counterparts. This practice attracts scarce skilled professionals (who attach importance to work-life leisure) to organisations in Scandinavia and Europe, now that the international labour market has become a global unit. Khatri (2001: 154) asserts that employee retention and turnover are at an all time high in Asia thereby posing a great difficulty to HR

management. A widely held belief is that employees have developed 'bad' attitudes due to the labour shortage. Employees are believed to job-hop for no reason, or even for fun. Hewitt Associates (2006: 1) found that public and private sector organisations in China, Hong-Kong, India, Japan, Korea, Malaysia, the Philippines, Singapore, and Thailand experienced 14% and 16% turnover rates in year 2004 and 2005, respectively. The possibility of the rate increasing is high as Asia's dynamic growth agenda collides with the demographic trends of an ageing population and an immediate need to attract more skilled employees. The effect of a rising turnover rate is already manifesting as it is now easier than before for employees to move from one organisation to another thereby increasing the complexity and costs of retaining the right employees in an organisation.

Many reasons have been given for the high rate of turnover in Asia and one of these reasons according to a study by Hewitt (2006: 1) is inequity in compensation. The report noted that many organisations are already losing their employees to organisations that are offering higher salaries. The study listed limited growth opportunities and role stagnation as other reasons for high rates of turnover. A very effective retention strategy adopted by Asian organisations is the ability to raise base pay above the market rate. Organisations are also increasingly providing the opportunity to teach their employees new skills and providing favourable work-life balance in their bid to retain key employees.

2. 4 Relationship between recruitment sources, retention and turnover

Employee retention stems from the employment process. Three employment processes (recruitment, selection & placement) predetermines the effectiveness of retention strategy. For employee retention to be successful, it has to be linked positively to the processes and practices of recruitment and the sources from which job candidates are recruited. Recruitment practice and empirical research suggests that employees may differ in their propensity to quit depending on the source from which they are recruited. Two rather different approaches to recruitment identified by Wanous (1975) as cited in Raub and Streit (2006: 279) are the "traditional" approach which suggests that the ultimate goal of recruitment is to attract a maximum number of applicants to the recruiting organisation. In the traditional approach, providing incomplete or even biased information about the job and/or the organisation may be an acceptable means for reaching this goal. The other approach is the "realistic" approach which suggests that a "realistic job preview" whereby recruiters

provide balanced and honest information about both the negative and positive aspects of the job and the organisation is undertaken.

The traditional approach was criticised by researchers such as Wanous (1975,1978) cited in Raub and Streit (2006: 279) who hypothesised that its benefits in terms of attracting a large number of candidates may be more than outweighed by its negative consequences for the selection and retention of those candidates. Following Wanous's criticism, many HRM scholars like Raub and Streit (2006: 279) posit that an unrealistic presentation of job-related information may lead to a "rude awakening" when newly hired employees discover the reality of the job.

The larger the gap between what has been promised during recruitment and what the employees experience during their first weeks and months on the job, the higher the propensity to quit. The resultant effect is that the new appointees will be frustrated, dissatisfied, and unproductive and in the end they may quit rapidly.

Similarly, Lee (2006: 1) proposes two mediators to recruitment theory as they affect turnover. These are the "realism" with which the candidate comes into the job and the job-fit, i.e. the extent to which the employee feels that the job accords with his/ her personality, ability and so on. Lee (2006: 1) contends that if various recruitment sources can be found to have different realism and job-fit, and these in turn affect turnover, then retention strategies can be crafted around these recruitment techniques.

A large number of empirical studies have confirmed that realistic recruitment does indeed lead to a reduction in turnover. Dean and Wanous (1984), Phillips and Meglino (1987) cited in Raub and Streit (2006: 280) explain that realistic recruitment does not mean that recruiters should communicate positive information only. Indeed, a combination of both "reduction" (i.e. negative) and "enhancement" (i.e. positive) previews seems to work best. The message source seems to play an important role in employee turnover. According to Colarelli (1984) cited in Raub and Streit (2006: 281), information received from job incumbents is perceived as more credible than information from other sources.

It is crucial to attribute great importance to providing realistic information about the job and the organisation; and to this extent, HR practitioners or recruitment agencies must be familiar with the working conditions in the organisations they are recruiting for. Raub and

Streit (2006: 283) stress that recruiters must be honest about the job-related information they give to job candidates at interview level. For example, when recruiting candidates for a manufacturing organisation, recruiters must be willing to disclose details about certain hazards that are associated with the manufacturing process such as industrial accidents, polluted working environment, and the general work context. The general work context may be characterised by long working hours, restrictive overtime regulations, and several limitations to the number of days off. This information may assist job applicants to decide if these working conditions fit into their career aspiration and help their decision making process on whether to accept or reject the job offer.

2. 5 Reasons for employee turnover

Many reasons explain why employees withdraw from an organisation especially in an economy where skills are relatively scarce and recruitment is costly, or where it takes several months to fill vacant positions as the present situation in the Ethiopian public sector. Employees voluntarily resign their appointments in organisations for various reasons which can be classified into two: pull and push factors. The pull factors, according to Sherratt (2000: 38) include the attraction of a new job especially in a growing economy. In such cases, it is the availability of alternative jobs that attracts an employee to withdraw from a particular organisation. Sherratt (2000: 38) also explains that the push factor may be dissatisfaction with the present job that motivates an employee to seek alternative employment elsewhere. Sometimes, it is a mixture of both the pull and push factors. However, some reasons for leaving are entirely explained by domestic circumstances outside the control of any employer, as is the case when employees relocate with their spouses or partners.

Recent research by the British Chartered Institute of Personnel and Development (2006: 1) shows that push factors are a great deal more significant in most resignations than most managers appreciate. The research contends that it is relatively rare for people to leave jobs in which they are happy, even when offered higher pay elsewhere. Research conducted by the Hay group and reported by Sharman *et al.* (2006: 22) reveals that about one third of the millions of employees surveyed worldwide plan to quit their jobs within two years.

Some employers attract job applicants with unrealistic and non-existent conditions of service during interviews. However, when these new employees get on board and the

conditions of service promised by the employers are not forthcoming, such employees immediately update their resumes and quit for other jobs. The British Chartered Institute of Personnel and Development (2006: 2) notes that a great deal of employee turnover consists of people resigning or being dismissed in the first few months of employment. This is due to poor recruitment and selection decisions, both on the part of the employee and employer. Expectations are high during the recruitment process, leading applicants to compete for and accept jobs for which they are mostly not suited. Organisations do this in order to ensure that they fill their vacancies with sufficient numbers of well qualified candidates as quickly as possible. However, over the longer term, the practice becomes counter-productive as it leads to costly but avoidable turnover and the development of a poor reputation in the local labour market.

According to a study by the Chartered Institute of Personnel and Development (2006: 2) in the United Kingdom (UK), there are factors that are specific to the individual that can influence early turnover. These include both personal and trait-based factors. Personal factors include changes in family situation, a desire to learn a new skill or trade, or an unsolicited job offer. In addition to these personal factors, there are also trait-based or personality features that are associated with turnover.

These personality traits are some of the same characteristics that predict job performance and counter-productive behaviours such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production. Most environmental contributors to turnover can be traced to management practices. Turnover tends to be higher in environments where employees feel they are taken advantage of, feel undervalued and inadequately compensated. Management practices that promote inequity, inefficiency and lack of foresight and ability to provide purposeful leadership will encourage skilled and professional employees to leave the organisation. Kinnear and Sutherland (2001: 17) further argue that skilled employees need space to act independently and freedom to plan and execute work the best way they choose. This requires progressive organisational leadership which allows for independent judgment by employees. Managers can help to address this by removing organisational policies that restrict innovative thinking and practice within the organisation.

Certain jobs have peculiar characteristics that contribute to turnover. According to Lanyon (2007: 45) some jobs are characteristically more attractive than others. Someone who enjoys travelling long distances will find sales job attractive while a personality with a strong ability to convince others through argument may find satisfaction in advocacy jobs. However, if these personalities engage in jobs with characteristics other than those peculiar to them, they may not find job satisfaction, which will lead to turnover. Sherratt (2000: 38) posits that there is turnover that is demographically specific, particularly for women who are balancing significant work and family duties at the same time. Employees may choose to leave an organisation instead of sacrificing their other interests and responsibilities in order to make the job work out. Some women elect to quit their jobs after the birth of a child, rather than simply take maternity leave while some relocate with their spouses. These factors translate into higher turnover rates for women in most organisations.

Empirical evidence has shown that all the factors enumerated above act individually or collectively to inform an employee's decision to quit or remain in an organisation. Over time, money is considered as the most critical determinant of turnover. However, that assumption has changed. The new breed of professionals and highly skilled employees now place other factors such as career growth, skills development and training opportunities in the fore of motivational variables that determine which organisation to work for. For organisations to attract and retain quality employees, these variables must be evaluated and integrated into an effective employee retention programme of the organisation. It is thus important for organisations to first of all recognise what motivates an individual employee before a meaningful retention practice can be developed.

The concepts of turnover and retention are closely related to costs and no meaningful evaluation of the subject will be complete without examining both direct and indirect costs that are usually associated with the two. The following section will discuss costs that are usually associated with retention and turnover in organisations.

2.6 Costs associated with turnover

In their analyses of turnover costs, Schultz and Schultz (2006: 242) conclude that employee turnover is costly for organisations. Every time an employee quits, a replacement must be

recruited, selected, trained, and permitted time on the job to gain experience. Phillips and Connell (2003: 1) concur and enumerate the costs of turnover to include, recruiting costs, selection and or employment costs, orientation costs, training costs, lost wages/salaries, administrative costs, lost productivity, loss of human capital, and customer satisfaction issues. It is important for management to know why employees, particularly high performing employees resign from the organisation. The common way of investigating employee's resignation is by conducting an exit interview which also is another cost to the organisation. The reason given by Phillip and Connell (2003: 1) for such interview is to investigate the reasons for the employee's withdrawal. If the reasons given by the employee suggest inadequacies on the part of the organisation (for example, inadequate salary, inequity, poor promotion, etc.) management can review the issue and this will help the organisation in the formulation of retention policies that adequately provide for the shortcoming. In conducting an exit interview, some costs are involved and they must be taken into consideration when calculating turnover costs. Bliss (2007: 1) lists these costs to include the time of the person conducting the interview and the administrative costs involved in processing the resignation letter, including stationery and printing. Before a recruitment process is initiated, a job analysis is necessary to determine the job content of the vacant position. A job analysis expert will have to be consulted to evaluate outstanding work and job requirements of the vacant position. These costs also represent turnover costs and must be considered.

Training and re-training of employees constitute one of the most crucial aspects of management in both the public and private sector organisations. According to Choo and Bowley (2007: 341) new employees normally undertake on- the- job training, and in some cases, they are sent abroad to acquire a specialised skill.

These costs are enormous and when a highly trained employee resigns without justifying these huge training expenses, organisations stand to lose all the investments already made.

Organisations also suffer productivity loss when an employee quits. When a new employee is hired and trained, Bliss (2007: 1) estimates such employee's contribution to the productivity level at 25% for the first 2-4 weeks of employment.

Productivity loss is therefore 75% of the new employee's full salary. For example, if a new employee is hired and placed on a monthly salary of Birr 20000; the organisation will be losing the sum of Birr 15000 as productivity loss every month because the new employee is

not adding full value to the organisation yet. This will however improve progressively between weeks 5-12 when the employee will be contributing 75% productivity level thereby reducing productivity loss to 25% of the new employee's full salary during the period. While the new employee is undergoing on-the-job training, the supervisor and other employees in the department will be involved in bringing the new employee to speed. The supervisor and the other employees' time will be lost in the process; this lost time must be quantified in monetary terms. It is also expected that the new employee, in the course of on-the-job training, will make mistakes which may lead to damage to equipment, disrupt production, or delay a delivery schedule. Such mistakes must be expressed in monetary terms and treated as part of turnover costs to the organisation. A substantial cost is incurred in productivity when a management employee quits; such an employee will no longer be available to guide and direct departmental employees who are responsible to the departed manager.

In organisations where sales persons are employed with a sales territory allocated to them, lost sales in respect of these category of employees is calculated as dividing the budgeted sales revenue for the particular sales territory into weekly amounts (Bliss (2007: 1)). The weekly amount is multiplied for the number of weeks the sales territory is vacant, including training time when the vacancy is subsequently filled, until the new sales representative begins to add value to the organisation. For non-sales employees, the revenue per employee is calculated by dividing the total organisational revenue by the average number of employees in a given year. It does not matter whether an employee contributes directly or indirectly to the generation of revenue, their purpose is to provide a defined set of responsibilities that are necessary for revenue generation. To calculate lost revenue when an employee quits, the number of weeks the position is vacant is multiplied by the average weekly revenue per employee.

In view of the above analyses, Bliss (2007: 1) concludes that the costs and negative impact of employee turnover on organisations can be significant.

Sherman *et al.* (2006: 22) also concur by stating that direct and indirect costs associated with turnover include the cost of advertisement, vacancy costs- which are a temporary loss of productivity occasioned by the voluntary withdrawal of an employee. Apart from the above mentioned direct costs, there are also indirect costs which include loss of goodwill, lost sales, and customer defection. Given the high costs of turnover and its negative impact

on running a business, a well thought-out programme designed to retain employees must be put in place by managers in order to reduce unnecessary turnover.

2.7 Measuring employee turnover

The Chartered Institute of Personnel and Development (CIPD) in the United Kingdom developed a simple and most common way of measuring employee turnover. The method, according to the CIPD (2007: 1) is to measure the number of leavers in a period as a percentage of the number employed during the same period, usually on a quarterly or annual basis. This is sometimes called the separation rate (SR). This is expressed as follows:

$$\frac{\text{Number of leavers} \times 100}{\text{Average number working}} = \text{separation rate}$$

The CIPD (2007:1) further states that, unless there are special circumstances such as a sudden large increases in the size of the workforce, the average number working is usually taken to be the number working at the start of the period added to the number working at the end, the total is then divided by two. This simple index is useful in comparing one organisation's employee turnover with that of a local employer's, or with that of the industry as a whole. A crude turnover method involves most organisations simply tracking their crude turnover rates on a month by month or year by year basis. The formula is simply Calculated as:

$$\frac{\text{Total number of leavers over period} \times 100}{\text{Average total number employed over period}}$$

The total figure includes all leavers, even people who leave voluntarily, dismissal, redundancy or retirement. The weakness of this method is that it does not distinguish between categories of employees, e.g. by length of service, or whether turnover was voluntary or involuntary.

It is also important for organisational practitioners to take a record of the retention rate for experienced employees. This is also referred to as the Stability Index (SI) and is calculated as:

$$\frac{\text{Number of staff with one or more years in service} \times 100}{\text{Total number of staff}}$$

Number employed a year ago

The stability index formula stated above is consistent with the one devised by the CIPD which is calculated as follows:

Number of employees with one year's service (or more) now x 100 = SI

Number of employees one year ago

The stability index is most useful in comparisons over a period or with other similar organisations. Measuring employee retention rate and the costs of turnover to the organisation is vital in building a business case for thorough and effective recruitment and retention initiatives. This costing can be a part of performance appraisal ratings especially for line managers and gain top management support for employee management activities. However, it is not all turnovers that attract costs to the organisation; some are indeed beneficial and cost effective as discussed in the next section.

2. 8 Turnover as cost benefit to organisations

A recent study by the United Kingdom Chartered Institute of Personnel and

Development (2007:2) reveals that not all turnovers are harmful to organisations.

Some turnovers impact positively and are cost effective. This happens mostly whenever a poor performer is replaced by a more effective and efficient employee.

According to Mello (2006: 569), turnover allows the organisation to hire new employees with more current training who are not locked into existing ways of doing things. Fresh ideas from outsiders can be crucial to organisations that have become stagnant and are in need of innovation. Turnover can also lower the average tenure of employees and translate into lower payroll expenses. Mello (2006: 569) further contends that turnover may allow the organisation to find an even better performer than the employee who left, possibly at a lower salary. The UK based Braun Consulting (2005: 1) suggests that managing turnover in terms of keeping it low just for the sake of having a low rate is not necessarily the most profitable practice for organisations. Instead of managing turnover and giving equal value to all employees, the effort should be geared towards certain categories of employees rather than across the board. For example, some employers do not reward managers for keeping turnover low; rather, they reward them for keeping turnover low for high performing employees.

Some employees are difficult to replace when they leave due to the acute scarcity of their skills and their expertise. Retention strategies for such employees might involve additional career development opportunities, incentive compensation that rewards high performance, or innovative benefits that are tailored to the needs of the employee. Accordingly, Mello (2006: 569) suggests that back-ups should be developed by the organisation for employees who would be difficult to replace. The strategy for managing turnover involves keeping high performers rewarded through innovative compensation and recognition and reward programmes while engaging HR planning to ensure that as few employees as possible occupy positions that will make them difficult to replace.

2.9 Theoretical Framework of the Study

2.9.1 Evolution of Turnover Model

There were primary study in organizational employee's movement from view of macroscopically economic at the beginning of the 20th century, for searching the factors influencing employee's turnover, such as salary, common training, labour market structure, and job opportunities, and their achievements have laid the foundation for later construction of organizational employees' retention/ turnover theory (March, 1958; Burton, 1969; Chen, 1997; Zhang et al., 2006).

In terms of the integrative theory concerning management of employees' retention/ turnover, as early as Barnard (1983, 1997), from the perspective of organizational society, personal psychology, and interaction of economic interest, made profound discussions about the determinate factors (individual goal, desirability, impetus, and other available opportunities which can be perceived) for people to join certain "collaborative organization", theory on effectiveness of organizational "inducement" for attracting organizational members and keeping their willingness to contribute to organization, maintaining social structure in organizations, and realizing the target of organization. In Barnard's function of the executive, described among material and non-material inducements provided by organizations, social integrating relation generated by originations to employees, takes a crucial position and usually plays "determinant" role in effective operation of organizations to employees, takes a crucial position and usually plays "determinant" role in effective operation of organizations or socially collaborative system.

2.9.2 The Job-Attitude Period

Since the 1950s, with the rapid development of the western economy after post-war rebuilding, swiftly increasing management cost, such as the costs of control, replacement and training from organizational employees' retention or turnover accompany lower unemployed' rate.

From establishment and evaluation of research model on organizational employees' turnover, it is generally believed organizational equilibrium theory in the classic work "organization" of March and Simon (1958), who both are inheritor and promoter of social system school on the research of turnover decision behavior of employees (Xie, 2003; Lee and Mitchell et al., 2004).

In their work, March and Simon divided employees' decision-making behaviors into individual's "Decisions to Perform" and "Decision to Participate". Then put forward the earliest overall model about employees' voluntary turnover, the so-called model of "Decision to participate". March and Simon were the earliest figure who tried to integrate labor market and individual behaviors for investigating and studying employees' turnover behaviors. Their outstanding contributions file in the introduction of labor market and behavior variables into the research on turnover process of employees from organizations, laying a theoretical foundation for later research on employee turnover.

Griffith (2000) conducted a review research in the model of element analysis on all papers on employee's volunteer turnover published in classic management magazines, he describes that related variables around attitude models reached eleven kinds of demographic predictors; sixteen kinds of sub-structure variables related to job satisfaction and organization factor and work environment factors, such as expectations, pay satisfaction, role clarify, six kind of variables related to job content and external environment factors, such as job scope, reutilization, job involvement, alternative job opportunities, comparison with present job etc.; three kinds of other behavioral predictors; nine kind of adjusting variables for withdraw process. As Griffith (2000) review, a general research model and analyzing route for traditional attitude research model are displayed in figure 1.

Hausknecht (2008) listed the major 12 retention factors that have been published in the literature over the last 60 years from 24,829 employees in leisure and hospitality industry of US, which help explain why employees stay or quit. A brief summary of these content models is described in table 1.

In conclusion, it is generally believed that in the traditional attitude turnover model the process of employees' volunteer turnover (including the turnover intention and behavior of turnover) is the reversed transformation process of employees' retention psychology and behaviors, mainly consisting of four sectors (Lee and Mitchell, 1999): first is the quit process caused by job dissatisfaction; then, employees' search for substitutable jobs before turnover; is evaluation.

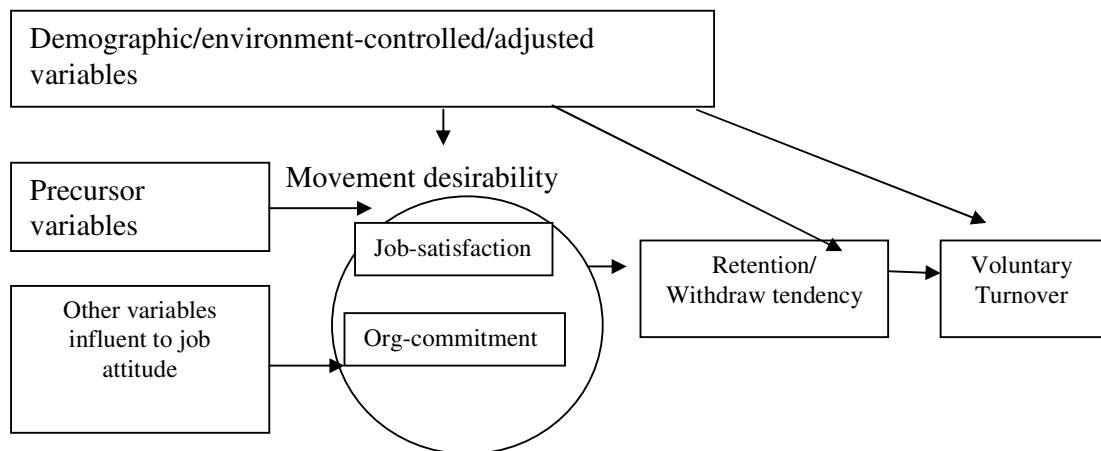


Figure 1. The traditional turnover model. Adapted from Giffeth et al., (2000); pp. 463-488

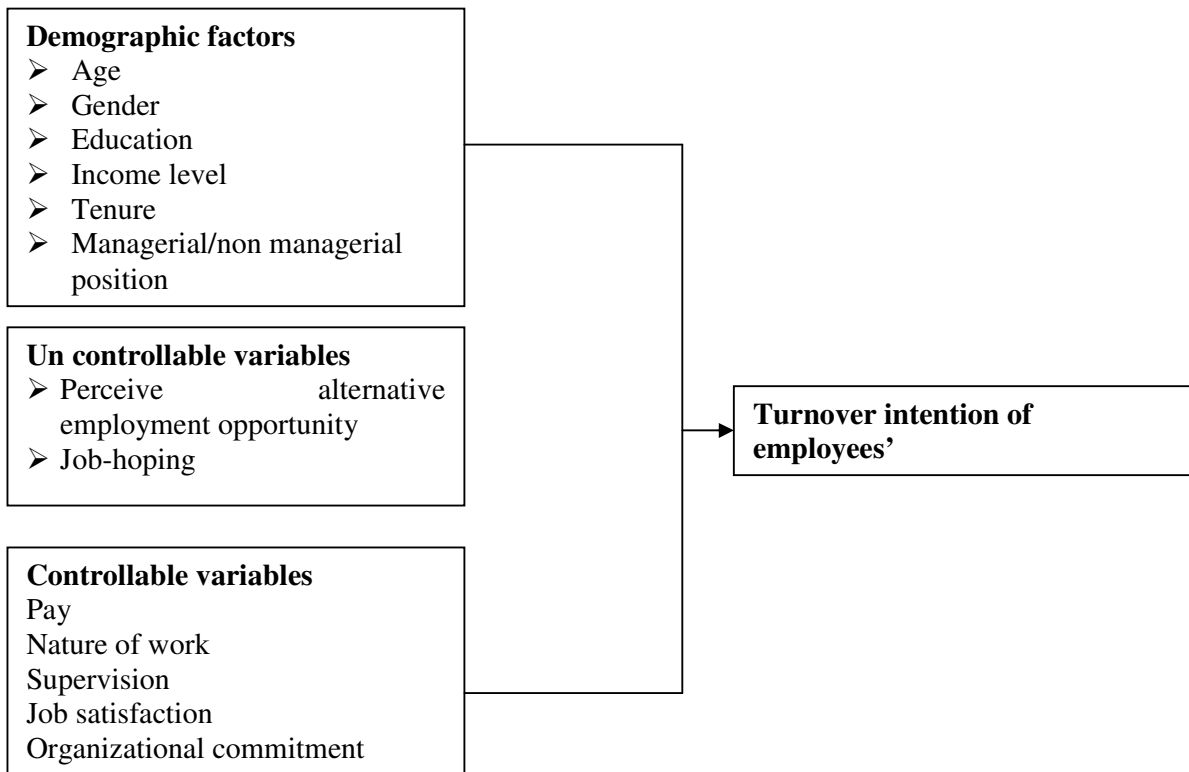
Table 1. Hauskneht (2008) description and definition of retention factors

no	retention factor	Definition
1	job satisfaction	the degree to which individuals like their jobs
2	extrinsic rewards	the amount of pay, benefits, or equivalents distributed in return for service
3	constitution attachments	the degree of attachment to individuals associated with the organization such as supervisor, co-workers, or customers
4	organizational commitment	the degree of which individual's perceived to the reputable and well-regarded
5	organizational prestige	The degree of which organization is perceived to be reputable and well-regarded.
6	lack of alternatives	Beliefs about the unavailability of jobs outside of the organization.
7	Investments	Perceptions about the length of service to the organization
8	advancement opportunities	The amount of potential for movement to higher levels within the organization
9	location	the proximity of the workplace relative to one's home
10	organizational justice	Perceptions about the fairness of reward allocations, policies and procedures, and interpersonal treatment

11	flexible work arrangement	The nature of the work schedule or hours
12	non-work influences	The existence of responsibility and commitments outside of the organization.

Based on the over all review of related literatures and developed models, the researcher proposed to develop the following model .The following model is proposed using theoretical frame work conducted by different researchers. The model is modified from above theories and model.

The variables applicable in our country context are assumed to be the causes of turnover in our country context. From above model the present study used demographic variable, other variables influencing job attitude like, organizational commitment, and job satisfaction are used. From Hauskneht (2008) retention factors the researcher has used variables like: organizational commitment, lack of alternative job, non work influence (supervisor) and developed and modified the following model.



The model explains the variables addressed while conducting the study. To measure each controllable variables and their influence on turnover intention different measurement has performed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research design employed in this study is both quantitative and qualitative research design. The study involves survey of different document and questionnaire (close ended) and an interview with management and HRPO department have used. Employees turnover should be assessed and quantified by using 5-point likert scale method, and variables job satisfaction (with (pay, nature of work, supervision), organizational commitment, existing job hopping, and perceived employment opportunities and turnover intention are explained.

3.2 Source of Data

In attempt to address the assessment of turnover and its management practice and to provide possible recommendations, the researcher used both primary and secondary data sources. With regard to primary data, the data collected through questionnaire filled by the terminated, existing employees and management staffs of the organization and interview conducted with management and other concerned body. Besides the history of terminated and existing employees data will be collected from Human Resource Management (HRM) department. In addition, personal discussion, and interview will be made with these people in order to be acquainted with over all environment of the organization and efforts and performance made to reduce employees/staff turnover.

As far as secondary data is concerned, relevant data are collected from the organization, HRM books and literatures, websites (internet) and other available sources.

3.3 Sampling Technique

For the purpose of this study, sampling technique used is purposive sampling technique existing employees and convenience sampling method for the ex- employees of the organization. The sample is drawn from existing employees of the organization and terminated employees. Currently the organization has about 691 employees among these those who fulfil the criteria of professional employees are 326. The sample is drawn from those who can fulfil the criteria of professional employees of the organization. Among these employees the sample taken is 48 which is 15% of the target population. The sample

taken is representative of target population in which the study is undertaken. Exceptions of the sample were supportive staffs and those who are below diploma holders because their turnover is not such series and bring low organizational performance.

3.4 Analysis of Data

In meeting the objectives stated in the above section, data collected from structured questionnaire and interview were analyzed using SPSS particularly descriptive statistics like frequency, percentage method, which clearly show staff turnover and its retention practices using different variables explained above.

CHAPTER FOUR

PROFESSIONAL EMPLOYEES TURNOVER AND RETENTION PRACTICE AT MoFED

In this chapter the data obtained via interview with management of MoFED and data collected from both current and ex- employees of the organization are analyzed and presented below.

4.1 View of Management and Employees on Turnover at MoFED

The following result shows interview made with human resource process owner of MoFED on the issues of related to intensity reason and costs of turnover and what retention mechanisms are made. The reason why these questions were raised is that of management has no awareness about employees turnover, causes and retention mechanisms to give awareness to tackle the problems.

4.1.1 Reasons for Turnover of Professional Employees

The management as well as the human resource process owner have awareness for intensive turnover of professional employees. As stated by HRPO (Human Resource Process Owner). The mobility and resignation of manpower made the organization to not achieve its mission as per plan. As per HRPO view currently the organization is losing experienced and professional employees due to the availability of alternative jobs from governmental organizations like Ethiopian Revenue and Custom Authority, Banks, Ethiopian air lines, telecommunication corporations, EHLPCO, Universities and other institutions are paying better salary and benefit package than MoFED, private organizations and NGO's need professional employees and pay better salary and give other benefits made our experienced professional employees to leave the organization, management and other concerned bodies knew reasons of termination via the application letters that employees submit to the management to get letter of resignation, recommendation letters and written work experience to obtain employment opportunities elsewhere.

As per survey of different documents and resignation letters written and submitted to the organization, most of them terminate due health problems. But most of the reasons stated on

application letter are not genuine but rather employees present false reasons so as to get the valuable document they need.

Apart from problems stated above, HRPO and management stated that there are no difficulties with working environments supervisor employee relation are smooth, salary and other benefit packages of the organization are similar to other public organizations of the country, existence of equal opportunities for promotion, career development, impartial grievance handling mechanisms and others job assignment of the organization is based on performance status and skill that they have.

4.1.2 Costs and Retention Mechanisms of Turnover at MoFED

To get potential and experienced employees MoFED uses different mechanisms of porling employees to apply for vacant position posted or notified by the organization. The cost incurred by the organization on includes cost of advertisement via news paper (Geral and Addis Zamen), interview costs, costs incurred fro those allowed for their career development, training and development costs of new and existing employees etc.

According to management and HRPO of MoFED, the organization is trying to maintain stable work force through various mechanisms. In the first place full orientation is given for new employees when they are hired about working condition of MoFED, duties and responsibilities in each one of position will be explained, benefits that they will get also told to them. In order to improve the benefits employees the organization has planned and working with different organizations both in the country and abroad. Therefore, this will reduce turnover of employees when it is implemented. The organization also requested government bodies to allow increasing salary and other benefits like Ethiopian revenue and custom authority employees, but no positive response was obtained.

4.2 View of Ex-Employees of MoFED

The result from few ex-employees of MoFED shows that they left the organization due to many reasons but most of them said because of other job alternative that they obtained and benefits relative to MoFED. Most of them are working currently at commercial and National Bank of Ethiopia, Ethiopian Revenue and Custom Authority, Civil Service College, St. Mary College (A.A), Addis Ababa University College of Commerce.

4.3 Trend of turner at MOFED

Employees turnover is frequent and it is becoming series at MoFED the following table clearly shows the rate of turnover organization that the organization is facing faced in each year.

Table A. Trend of turner at MoFED

Year of termination	Number of terminated employees
2000 E.C	38
2001 E.C	36
2002 E.C	39
2003 E.C since Ginbot	66

Source: HRPO of MOFED, 2011

4.4 Demographic Information of Ex-Employees of MoFED

Table A-1 Background information of ex-employees

Item	Measurement	Ex-employees			
		Frequency	%	Valid percent	Cumulative percent
Age group	Below 25	1	9.1	9.1	9.1
	25-30	6	54.5	54.5	63.6
	31-35	2	18.2	18.2	81.8
	36-40	0			
	Above 40	2	18.2	18.2	100
	Total		100	100	

Source, Questionnaire, 2011

As shown in table A1, 1(9.1) percent of ex-employees respondents are in the age below 25, between 25 and 30, between 31 and 35, between 36 and 40; above 40 are 6(54.5), 2(18.2), 0 and 2(18.2) percent respectively. The majority of ex-employees respondents 6(54.5) percent are between 25 and 30 age group. Therefore age is consistently and negatively related to

turnover. Younger employees are more likely to resign than older employees. The data shows majority of the respondents are young and hence more probability of turnover.

Table A-2 Background information ex-employees

Item	Measurement	Frequency	%	Valid %	Cumulative
Sex	Male (1)	10	90.9	90.9	90.9
	Female (2)	1	9.1	9.1	100
Total		11	100	100	

Source: questionnaire, 2011

Table A-3 Background Information of Ex-employees

Item	Measurement	Frequency	%	Valid %	Cumulative
Sex	Single (1)	9	81.8	81.8	81.8
	Married (2)	2	18.2	18.2	100
Total		11	100	100	

Source: questionnaire, 2011

As indicated in table A-2 and A-3, 10 (90.9) percent of ex-employees respondents are males where as females are 2(18.2) percent. This implies that the majority of the ex-employees are males who have interest of resignation than that of females. As also shown in table A-3 majority of terminated employees are 8 single that is 9(81.8) percent of respondents from ex-employees are single where as 2(18.2) percent are married.

Table A-4 Background Information (qualification)

Item	Measurement	Frequency	%	Valid %	Cumulative %
Qualification	10+2 (1)	0			
	12+2 (2)	0			
	BSC/BA (3)	8	72.7	72.7	72.7
	MSC/MA (4)	3	24.3	27.3	100
	PhD (5)				
Total		11	100	100	

Source: questionnaire, 2011

As indicated in table A-4 of above table, 72.7 percent of ex-employees respondents were qualified at first degree level and 27.3 percent of ex-employees are qualified at second

degree level. This indicates that almost all of the respondents are first degree graduates of college and universities.

Table A-5 Background information (Experience)

Item	Measurement	Frequency	%	Valid %	Cumulative %
Service year	<1 years (1)	4	36.4	36.4	36.4
	1-2 years (2)	3	27.3	27.3	63.6
	2-5 years (3)	4	36.4	36.4	100
	5-10 years (4)	0			
	Above 10 years (5)	0			
Total		11	100	100	

Source: questionnaire, 2011.

With regard to the item in the above table of A-5 summarizes about tenure, of the respondents in the organization served, ex-employees of the organization served for use than one year and 2-5 years of service which accounts 72.8 percent while, 27.2 of ex-employees served for 1 to 2 years. Therefore, it is possible to generalize that almost all ex-employees of the organization served for less than five years.

Table B-1 Demographic variables contribution of turnover

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	gender contribution to leave the office	11	F	7	2	2	0	0
			P	63.6	18.2	18.2		
2	Nothing you gained while they were at MoFED	11	F	6	4	2	0	0
			P	54.5	36.4	9.1		
3	No consideration of qualification and experience	11	F	3	4	4	0	0
			P	27.3	36.4	36.4		
4	Working environment was not conducive	11	F	3	6	1	1	0
			P	27.3	54.5	9.1	9.1	

Source: questionnaire, 2011

The table above summarizes demographic variables extent of motivation to leave the organization the extent of ex-employees agreement or disagreement indicates, most of ex-employees left the organization due to gender role which accounts for 7(63.6) percent. When considering experience that they obtained while they were at MoFED, most of them had not e any experience due to mismatch between their qualification and portion in which they were placed. According to the respondents 6(54.5) percent “strongly agree” about no gain of experience and also 4(36.4) percent responded as they had not gained experience. In other case, regarding consideration of qualification and experience for promotion, 3(27.3), 4(36.4), 4(36.4) percent respectively responded as” strongly agree”,” agree”, and” neutral”. To sum up, there were no considerations of qualification and experience for promotion. So, most ex-employees responded as the organization had no practice of considering qualification and experience for promotion. With regard to conduciveness of working environment, 6(54.5) percent of respondents of ex-employees” agree” in working environment of the organization was no conductive, 3(27.3) percent also strongly agree in the unfavorability of the organization’s working environment, where as, 1(9.1), 1(9.1) percent respectively responded as they are “neutral”, and “disagree” in unfavorability the organization’s working environment.

Table B-2 Respondents extent on alternative job hope

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	gender contribution to leave the office	11	F	2	3	5	1	0
			P	18.2	27.3	45.5	9.1	

Source: questionnaire, 2011

As the above table B-2 summarizes respondents extent on alternative job hope 2(18.2), 3(27.3), 5(45.5), 1(9.1) percent of responded as they are “strongly agree”, “agree”,” neutral”, and “disagree” respectively for leaving the organization is due to alternative job they obtained. Based on the data, 45.5 percent of ex-employees are” neutral.

Table B-3 Respondents extent on job match

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	You left the organization because your qualification did not match your position	11	F	0	2		7	2
			P		18.2		63.6	18.2
2	If you were at managerial	11	F	2	3	2	4	0

	position you didn't leave the organization		P	18.2	27.3	18.2	36.4	
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Source: questionnaire, 2011

As indicated in table B-3 of item 1 summarizes, employees left the organization not due to the cause of qualification and their positions mismatch. As shown 2(18.2), 7(63.6), 2(18.2) percent respectively responded as “agree”, “disagree”, “strongly disagree”. From the data most of respondents left the organization is not due to mismatch of qualification and position.

Therefore, it is possible to generalize that, employees left the organization is not because of mismatch between this qualification and in which they were hold in the position. So, mismatch between qualification and position did not caused resignation of the employees.

Regarding position particularly managerial and non-managerial as a means to resign, the ex-employees responded as 2(18.2), 3(27.3), 2(18.2), and 4(36.4) percent respectively responded “agrees”, “neutral”, “disagree”, and” strongly disagree”. This indicates, whether they were at managerial position, they would not like to stay in the organization. Based on the data one can concluded that employees left the organization not due position they hold were lower level, managerial position or expertise position.

Table B-4 Respondents extent of Commitment

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	You had no sense of belonging to the organization	11	F	1	4	2	4	0
			P	9.1	36.4	18.2	36.4	
2	The organization hadn't given freedom for innovative thinking	11	F	5	4	1	1	0
			P	45.5	36.4	9.1	9.1	
3	Inter personal relationship was poor in the organization	11	F	7	2	2		0
			P	63.6	18.2	18.2		
4	Disciplinary measures of MoFED were not properly laid down	11	F	2	6	2		1
			P	18.2	54.5	18.2		9.1

Source: questionnaire, 2011

As shown in table B-4 above summarizes for item 1, most respondents of ex-employees agree and disagree as they had no sense of belonging to their ex-organization, which

accounts as 1(9.1), 4(36.4), 2(18.2), 4(36.4) percent respectively “strongly agree”, “agree”, “neutral”, and” disagree” as if they had sense of belonging to their ex-organization. Based on the data obtained from respondents of ex-employees of the organization some had sense of belongingness where as some had no sense of belongingness while they were at MoFED.

As item 2 of the same table depicts, concerning provision of freedom for innovative thinking, 5(45.5), 4(36.4), 1(9.1), 1(9.1) respectively shows respondents “strongly agree”, “agree”, “neutral”, and “disagree” extent of respondents. As indicated from the table, most respondents responded as the organization hadn’t given fro ex-employees freedom of innovative thinking few of respondents as they were neutral and few also responded as the organization was provided them freedom of innovative thinking. Based on response of respondents 9 (90.1) percent of respondents strongly agree and agree as the organization had not given them freedom of innovative thinking.

From the same table item 3 summarizes about interpersonal relationship of employees, 7 (63.6), 2(18.2) 2(18.2) and 1(9.1) percent respectively responded “strongly agree”, “agree”, “neutral”, and “strongly disagree” for poor interpersonal relationship in the organization before they left the organization. So, one can generalize or conclude that, there was poor interpersonal relationship between employees of the organization.

When asked extent of agree or disagree level of ex-employees the response from the same table of item and summarizes about disciplinary measurement handling mechanisms 2(18.2) percent responded as they are “strongly agree” for in appropriateness disciplinary procedures laid down, 6(54.5) percent “agree” as disciplinary measures were not also properly laid down, other 2(18.2) and 1(9.1) percent responded as they are neutral and strongly disagree for inappropriate and impartiality of ways of disciplinary handling mechanisms. Based on the data most ex-employees of the organization agree in unfairness of disciplinary measurement mechanisms of the organization while they were working at MoFED.

Table B-5 Respondents extent of agreement in supervision

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	Supervisors were rigid at MoFED	11	F	6	3	1	1	0
			P	54.5	27.3	9.1	9.1	
2	There were no good	11	F	2	4	2	2	1

	relationship between management and employees		P	18.2	36.4	18.2	18.2	9.1
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Source: questionnaire, 2011.

As shown in table B-5 to what extent respondents agree or disagree about supervision rigidity of MoFED 6(54.5) percent strongly” agree” in the rigidity of supervisors at MoFED, 3(27.3) percent agreed that supervisors of MoFED were rigid, on the other hand, few of respondents, 1(9.1), 1(9.1) percent respondents responded as they are “neutral”, and “disagree” in the rigidity of supervisors while they were at MoFED. In the same table of item 2 shows about extent of agree or disagree for poor relationship among management and employees at MoFED, ex-employees responded as they “agree” in poor relation 4(36.4) others 2(18.2), 2(18.2) 2(18.2) and 1(9.1) percent responded as they are “strongly agree”, “neutral”, “disagree”, and “strongly disagree” for poor relationship found between management and employees. Therefore, one can conclude based on ex-employees response, as then were poor management employees relationships at MoFED.

Table B-6 Respondents extent of agreement in training and development

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	There was good training and development at MoFED	11	F	0	2	1	6	2
			P		18.2	9.1	54.5	18.2

Source: questionnaire, 2011.

As table B-6 shows respondents extent of good training and development practice MoFED, the data indicates, most of ex-employees of the organization responded that they are disagree in good training and development practice of MoFED. While 2(18.2), 1(9.2), 6(54.5) and 2(18.2) percent respectively” agree”, “neutral”, “disagree”, and “strongly disagree” in good training and development practice of MoFED while they were working at MoFED. Based on the data, it is possible to say that most ex-employees of the organization perceived as they had not absence good training and development practice while they were working at MoFED.

Table C-4 Background information of current employees

Item	Measurement	Frequency	%	Valid %	Cumulative %
Age group	1 below 25 years	13	27.3	27.3	27.2
	2-25-30	11	22.9	22.9	50.1
	3- 31-35	7	14.6	14.6	64.7

	4- 36-40	3	6.2	6.2	70.9
	5- above 40	14	29.1	29.1	100
Total		48	100	100	

Source: questionnaire, 2011.

As table C-4 indicates, age group of MoFED among current employees are below age group of 30 years and some are above 40 years. Therefore, almost 50 percent of current employees at MoFED are between age group of below 30 years. So, majority of respondents of current employees are young and energetic professionals.

Table C-2 Background information

Item	Measurement	Frequency	%	Valid %	Cumulative %
Sex	Male	34	70.8	70.8	7.08
	Female	14	29.2	29.2	100
	Total	48	100		

Source: questionnaire, 2011.

Table c-2 indicates about sex status of MoFED, 34(70.8) percent of current employees are males and 14(29.2) percent are females. Based on the data, majority of respondents of current employees working at MoFED are males than female. Depending on respondents response, majority employees which account more than 70% of the organizations employees are males.

Table C-3 Background information

Item	Measurement	Frequency	%	Valid %	Cumulative %
Marital status	Single	27	56.3	56.3	56
	Married	21	43.7	43.7	100
	Total	48	100	100	

Source: questionnaire, 2011.

As indicated in table C-6 above summarizes concerning marital status of respondents more than 50 percent of respondents working currently at MoFED are single where as 43% percent are married. The overall figure shows 27 (56.3) and 21(43.7) percent respondents are single and married respectively. So, it can be possible to generalize based on the respondents response obtained employees of the organization are mostly single. Being single may cause mobility of professional employees at MoFED.

Table C-4 Background information

Item	Measurement	Frequency	%	Valid %	Cumulative %
Qualification	10+2 (1)	0			
	12+2 (2)	18	37.5	37.5	37.5
	BSC/BA (3)	23	47.9	47.9	85.4
	MSC/MA (4)	7	14.6	14.6	100
	PhD (5)	0			
Total		48	100	100	

Source: questionnaire, 2011.

As table C-7 shows concerning the qualification of respondents who are currently working at MoFED about 18 (37.5), 23 (47.9), 7(174.6) percent of respondents are diploma holder, first degree level qualification and second degree or masters degree holders respectively. Depending on respondents response, one can conclude most employees of the organization are qualified in first degree level followed by diploma holders and second degree or masters degree holders respectively.

Table C-5 Background information

Item	Measurement	Frequency	%	Valid %	Cumulative %
Service year	<1 years (1)	9	18.7	18.7	18.7
	1-2 years (2)	10	20.8	20.8	39.5
	2-5 years (3)	12	25.0	25.0	64.5
	5-10 years (4)	14	29.2	29.2	93.7
	Above 10 years (5)	3	6.3	6.3	100
Total		48	100		

Source: questionnaire, 2011.

The result from table C-5 indicates respondents service year, 9(18.7), 10(20.8), 12(25.0), 14(29.2) and 3(6.3) percent of respondents served the organization for less than one year, one to two years, two to five years, five to ten years and more than ten years respectively.

As respondents responded most of respondents of current employees served the organization for less than ten years. On the other hand, 31(64.5) percent of employees who filled the questionnaire have served the organization for less than five years.

Table C-6 Background Information

Item	Measurement	Frequency	%	Valid %	Cumulative %
Service year at current position	<1 years	24	50	50	50
	1-2 years	18	37.5	37.5	87.5
	2-5 years	6	12.5	12.5	100
	5-10 years	0			
	More than years	0			
Total		48	100	100	

Source: questionnaire, 2011.

As indicted in table C-6 of above table, the respondents response on service years summarizes, 24(50), 18(37.5) and 6(12.5) percent respondents responded as they served the organization at their current position for less than one year, one to two years, and two to five years respectively. So, based on the data obtained most of the organization's employees served the organization for less than two years in their current position. As they told, since the implementation of BPR (Business Process Reengineering) their position had changed.

Table D-1 Respondents level of agree or disagree on demographic variables contribution for turnover

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	Age contribution to stay at MoFED	48	F	2	4	5	37	0
			P	4.1	8.3	10.4	77.2	
2	Sex determination to stay in the organization	48	F	8	13	18	8	1
			P	16.6	27.2	37.5	16.6	2
3	Level of qualification increases commitment to the organization	48	F	1	3	7	29	8
			P	2.0	6.2	14.6	60.4	16.6

4	You joined MoFED for gain of experience	48	F	5	13	9	3	0
			P	10.4	64.5	18.7	6.4	
5	Consideration of qualification and experience for promotion	48	F	27	13	1	7	0
			P	56.2	27.2	2.0	14.6	

Source: questionnaire, 2011.

The above table D-1 of item 1 summarizes if age has contributed respondents to stay at MoFED. The extent to which employees agree or not shows, majority (77.2) percent responded as age does not contribute them to stay in the organization. In other words, this majority disagrees on contribution of age to stay at MoFED others 4.1; 8.3, and 10.4 percent significantly claimed as they “strongly agree” on age contribution, “agree” and “neutral” for significant effect that age have for their employment in the organization.

When asked to what extent sex determine the respondents agree or disagree in staying at the organization; 16.6, 27.2, 37.5, 16.6 and 2.0 percent of respondents “strongly agree”, “agree”, “neutral” “disagree” and “strongly disagree” for sex as determinant factor in staying at the organization respectively. From the data obtained sex is not significant variable for employees to stay or leave the organization.

Concerning respondents level of agree or disagree for level of commitment while level of qualification increases, majority of respondents, 60.4 percent responded as they will “disagree” for increase in level of commitment to the organization when there level of qualification increase. While others, 2.0, 6.2, 14.6, and 16.6 percent of respondents responded as “strongly agree” in level of commitment while qualification increases,” agree”, “neutral”, and “strongly disagree” in the positive relationship between commitment and level of qualification.

Regarding to what extent they agree or disagree that respondents were motivated to join MoFED because they want to gain experience, 64.5 and 6.4 percent “agree” and “disagree” respectively. Whereas 10.4 and 18.7 percent “strongly agree”, and “neutral’ respectively. So, based on the respondents response, it can be generalized that majority of MoFED employees motivated to join the organization for gain of experience.

When asked to what extent they agree or not for the consideration of qualification and experience of work for promotion, 56.2 and 2.0 percent of respondents responded as they

“strongly agree” and “neutral” respectively. On the other hand, 27.2 and 14.6 percent of respondents responded as they “agree” and “disagree” for the consideration of qualification and experience as a means of promotion. Therefore, based on respondents response, in most case the organization bases qualification and experience as a means of promotion.

Table D-2 Respondents extent of agree not as benefit and salary package contributes for turnover

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	The organization is committed to provide everything you need	48	F	0	0	5	33	10
			P			10.4	68.8	20.8
2	Salary scale and other benefit package made you to stay in the organization	48	F	0	0	7	24	17
			P		14.6	50.0	35.4	
3	Financial issues attractiveness made you to stay at MoFED	48	F	8	2	23	15	0
			P	16.7	4.2	47.9	31.3	
4	Promotion bases performance	48	F	3	8	18	19	0
			P	6.3	16.7	37.5	39.6	
5	The organization provides good terminal benefit and position.	48	F	15	4	19	10	0
			P	31.3	8.3	39.6	20.8	
6	Management of the organization providing you chance for career advancement	48	F	6	9	21	12	0
			P	12.5	18.8	43.8	25.0	
7	Future hope of getting better benefit made you to stay at MoFED	48	F	2	9	12	18	7
			P	4.2	18.8	25.0	37.5	14.6

Source: questionnaire, 2011.

As table D-2 item 1 summarizes what extent of respondents “agree” not for the provision of organization in providing every thing they need, 68.8 and 10.4 percent claimed to “disagree” and “neutral” respectively. Whereas 20.8 percent of respondents responded as they “strongly disagree” in provision of organization every thing they need. Based on this response, it can be generalized as the organization is not providing for employees every thing they need for performing their jobs.

In the same table of item 2 indicates on level of agree or disagree of employees in the organization’s good salary scale and other benefit packages almost half 50.0 percent of

respondents said they “disagree” in the organization’s good salary and other benefit packages. In the other case, 14.6 and 35.4 percent of respondents responded as they are “neutral” and “strongly disagree” in good salary scale and benefit package of MoFED respectively therefore according to the respondents salary scale and other benefit package of the organization is not attractive.

Concerning the overall financial issues attractiveness as it is indicated in the same table of item 3, 47.9 percent of respondents were are currently working at MoFED perceived it as not attractive; 16.7, 4.2 and 31.3 percent of employees responded as they are “agree” in the attractiveness of the whole financial issues, “neutral” and “strongly disagree” in the attractiveness of financial issues of MoFED respectively. To sum up, for most employees of the organization, the overall financial issues attractiveness in low. So, employees are not stayed in the organization based on attractiveness of the financial issues of the organization. With regard to respondents level of agree or disagree for performance as a base of promotion, 6.3, 16.7, 37.5 and 39 percent of respondents as they “agree” for the organization is promoting the employees based on performance, “neutral” “disagree”, and “strongly disagree” for promotion in the organization is based on performance respectively. This data shows individual respondents way of evaluating as if management of the organization is using performance as a measure of performance is indifferent for most employees of the organization.

While asked respondents about the overall organization’s good provision of terminal benefit and pension payment, their extent of agree and disagree in the good provision of terminal benefit and pension is 31.8, 8.3, 39.6, and 20.8 percent of respondents responded as they “agree” in provision of terminal and pension benefit, “neutral” “disagree” in good provision of terminal and pension payment of the organization and “strongly disagree” in the same issue respectively. This response shows respondents are not feeling good in terminal and pension benefits; which accounts for 60.4 percent of employees perceive it as not attractive. As table D-2 of item 6 indicates management the organization’s provision of chance for career development, the respondent extent in agree or not for the organization is providing chance for career advancement, 12.5, 18.8, 43.8, and 25.0 percent of respondents responded as “agree” in provision of chance for career development, “natural” disagree” and “strongly disagree” be cause the organization, is not yet giving chance for the development of career. This data indicates all employees of the organization consider the willingness of

organization in giving chance for career development is different. Therefore, it is not possible to say the organization has arranged chance of career development; it depends on individual employee perception.

For the item that summarizes on the respondents extent of agree or disagree that employees motivated to stay at MoFED due to this future hope of getting better benefits, 4.2, 18.8, 25.0, 37.5 and 14.6 percent of respondents said that they agree “strongly agree” in this stay in the organization for the hope of getting better benefits in the future, “agree” in the issues “neutral” “disagree” because they are not working and stayed at the organization in hope of getting future better benefits, and “strongly disagree” respectively. the data shows some employees have hope of getting better benefits in the future which made them to stay at MoFED, where as, others have no hope of getting future better benefit that made turn to stay at MoFED.

Table D-3 Respondents level of agree or disagree in the future job hope for turnover

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	You stayed at MoFED because you have no other job opportunity	48	F	8	21	7	12	0
			P	16.7	43.8	14.6	25.0	
2	Young professional interest to stay at MoFED is high	48	F	24	17	6	1	0
			P	50.0	35.4	12.5	2.1	

Source: questionnaire, 2011.

As shown in table D-3, to what extent the respondents agree or disagree for staying at MoFED because of they have no other job opportunities, 16.7, 43.8, 14.6 and 25.0 percent of respondents responded “strongly agree” because they have no other job opportunity that made them to stay at MoFED, “agree”, “neutral”, and “disagree” respectively. From this data one can say almost about half of respondents stayed in the organization is due to lack of other job opportunities. This implies, if they get in the future alternative job, the will resign from the organization.

In relation to item 2 of the same table above, to what extent young professionals have interest in staying at MoFED, the respondents responded as 50.0, 35.4, 12.5, and 2.1 percent of respondents responded “strongly agree” in high interest or young professionals in staying in the organization, “agree”, “neutral” and “disagree” in staying at MoFED. Based on the

data obtained almost young employees have interest of staying at the organization even though some of the respondents are neutral and very few have no intent of staying.

Table D-4 Respondents extent of agree or disagree for job match contribution for turnover

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	Your position matches with the skill and knowledge you have	48	F	0	4	14	23	7
			P		8.3	29.2	47.9	14.6
2	Whether you are managerial or non-managerial position you don't want to leave MoFED	48	F	0	8	18	20	2
			P		16.7	37.5	41.7	4.2

Source: questionnaire, 2011.

As shown in table D-4 of item 1, to what extent the respondents skill and knowledge requirements matches with the job position they hold, 8.3, 29.2, 47.9, and 14.6 percent of respondents responded as they “agree” with match between their skill with the job and position they hold, “neutral”, “disagree” because their skill and knowledge does not match with their job, and “strongly disagree” respectively. This indicates majority employees of the organization are working in the positions that do not match with their skill and knowledge. Therefore, this mismatch may lead to termination of employees as well as performing below expectation.

In relation to table D-4 of item 2, when respondents are asked about to what extent they agree or not that whether they are at managerial or non-managerial position they want to leave the organization, 16.7, 37.5, 41.7 and 4.2 percent of respondents “agree” in leaving the organization in what ever position the, hold, “neutral” “disagree” which shows if they are at good and managerial or not they do not want to leave the organization and “strongly disagree” in leaving the organization based on position they hold. So, based on the data from respondents, employees have different idea to leave the organization by assuming or position as a cause of termination.

Table D-5 Respondents level of agreement for commitment of both employer and employees contribute

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	MoFED changed the way organization run.	48	F	5	29	12	2	0
			P	10.4	60.4	25.0	4.2	
2	These are employees representative in the organization	48	F	0	4	6	28	10
			P		8.3	12.5	58.3	20.8
3	Employees sense of belongingness to the organization	48	F	2	3	8	31	4
			P	4.2	6.3	16.7	64.6	8.3
4	Freedom of innovative thinking	48	F	0	2	4	12	30
			P		4.2	8.3	25.0	62.5
5	Interpersonal relation in the organization is better than other public organizations	48	F	7	16	18	5	2
			P	14.6	33.3	37.5	10.4	4.2
6	Fairness of disciplinary measures	48	F	0	4	9	22	13
			P		8.3	18.8	45.8	27.1
7	Impartiality of MoFED for over all benefits	48	F	2	3	7	26	10
			P	4.2	6.3	14.6	54.2	20.8
8	Working environment conduciveness	48	F	18	15	13	2	0
			P	37.5	31.3	27.1	4.2	
9	Awareness of management and employees about turnover of employees	48	F	18	14	4	11	41
			P	37.5	29.2	8.3	29.9	2.1
10	Supervision requirement and commitment of employees for supervising employees	48	F	1	7	22	10	8
			P	2.1	14.6	45.8	20.8	16.7

Source: questionnaire, 2011.

As shown in table D-5 of above table, when respondents were asked about this extent of agree or disagree for the organization charged the way it ream, 10.4, 60.4, 25.0 and 4.2 percent of respondents responded as “strongly agree” for MoFED change of the way organization run, “agree”, “neutral”, and “disagree” respectively. From the above data obtained, it can be generalized as respondents of MoFED, have agreed in change how organization is running its activities. So, MoFED is not running it’s operational as pervious, rather changed the way it runs its operation.

For item 2 in the same table, when respondents are asked about eh presence of employees representatives in the organization, 8.3, 12.5, 5.8 and 20.8 percent of respondents responded as “agree” in the presence of employees representatives in the organization, “neutral”, “disagree” and “strongly disagree” for presence of employees representatives in the organization. Based on the response from respondents it is possible to conclude that there is employee representative in the organization. the absence of employees representative could lead to turnover of employees, because management can undertaken any decision and absence of employees representative in the organization contribute employees to not feel belongingness to the organization.

As indicated in table D-5 of item 3, when employees of the organization are asked about their level of agree or disagree for employees sense of belongingness to their organization, 4.2, 6.3, 16.7, 60.6, and 8.3 percent of employees responded as “strongly agree” for their sense of belongingness to their organization “agree” in belonging to the organization “neutral”, “disagree” and “strongly disagree” in their sense to belongings to the organization. From the above data most of employees of the organization have no sense of belongingness to the organization on. Based it can generalized as employees of the organization have not interest to belong in it and want to terminate.

In the same table of item 4, summarizes, when respondents are asked about the extent of agree or disagree in organization’s provision of freedom for innovative thinking, 4.2, 8.3, 25.0, and 62.5 percent of employees responded as they “agree” in the organization’s provision of innovative thinking freedom, “neutral”, “disagree” and “strongly disagree” in the provision freedom for innovative thinking respectively. Therefore, the data obtained shows the organizations do not provide them freedom of innovative thinking for its employees. If the problem continuous, professional and skilled employees who have interest on innovative thinking will terminate from the organization.

Concerning the extent of employees agree or disagree in the good interpersonal relationship of the organization relative to other similar public organizations, 14.6, 33.3, 37.5, 10.4, and 4.2 percent of respondents “agree”, “neutral”, “disagree”, and “strongly disagree” in the presence of good interpersonal relationship found in the organization respectively. Based on the finding about 50 percent of respondents responded in the presence of good interpersonal relationship between management, supervisor and employees of the organization.

As it is indicated in item 6 of the same table, when employees are asked about the extent of employees agree or not for fairness of disciplinary measures taken by the organization, 8.3, 18.8, 45.8, and 27.1 percent of respondents said as, “agree” in the fairness of disciplinary measures of the organization, “neutral” “disagree”, and “strongly disagree” in the fairness of disciplinary measures undertaken by the organization. Therefore, most employees of the organization feel that the organization is not treating employees of the organization fairly. This could directly affect employees to not stay in the organization.

In table D-5 of item 7, indicates, when employees of the organization are asked about the level of agree or disagree in the organization’s impartiality in the overall benefit of the organization, 4.2, 6.3, 14.6, 54.2, and 20.8 percent of respondents said as “strongly agree”, in impartiality of MoFED while providing them overall benefits, “agree”, “neutral”, “disagree”, and “strongly disagree” for impartiality of MoFED. These shows, most employees of the organization are not equally benefited from the organization’s resources as well as overall benefits it provides for its employees. Data obtained indicates all employees of the organization are not obtaining equal share of benefits; which may contribute for resignation of employees who feel that they are not sharing equally the organization’s benefit.

For item 8 of table D-5, when employees level of agree or disagree for conducive working environments of the organization, 37.5, 31.3, 27.1, and 4.2 percent of respondents responded as “strongly agree” in the presence of conducive working environment “agree”, “neutral”, and “disagree” in conducive environment of the organization respectively. Depending on the data, more than 60 percent of employees feel that the working environment of MoFED is conducive, some of employees responded as they are neutral in conducive working environment of MoFED; few employees said that as they are disagree in smooth working

environment of the organization. if employees of the organization feel a conducive of working environment, the level of termination in the organization will decrease.

Regarding the awareness of management and employees concerning turnover employees in the organization as it was indicated in item 9 of table D-5, the respondents extent agree or disagree, 37.5, 29.2, 8.3, 22.9, and 2.1 percent of respondents said they are “strongly agree” in the awareness of management and employees about turnover of employees of the organization, “agree”, “neutral”, “disagree”, and “strongly disagree” in the awareness of management and employees about turnover of organization’s employees. This indicates most employees as well as management the organization is aware of mobility of skilled manpower. Based on this data the organization should cope up with retention mechanisms in order to attain the mission of the organization.

As shown in table D-5 of item 10 summarizes about respondents extent of agree or disagree in the organizations’ supervisory requirement for employees commitment for their performing their tasks, they responded as 2.1, 14.6, 45.8, 20.8, and 16.7 percent of respondents responded as “strongly agree” in the presence of supervision for commitment of employees, “agree”, “neutral”, “disagree”, and “strongly disagree” respectively. This indicates, most employees of the organization are neutral for need of supervisions for commitment of employees. But others responded as no need of supervisors for employees commitment and few of them responded in the presence of supervisors for employees commitment to the organization.

Table D-6 Respondents extent of agree or disagree in supervision for turnover contribution

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	Supervisors arranged flexible working environment or condition	48	F	3	5	11	22	7
			P	6.3	10.4	22.9	45.8	14.6
2	The organization’s higher officials allowed in decision making	48	F	0	2	18	25	3
			P		4.2	37.5	52.1	6.3
3	The overall relation management between management and employees if good at MoFED	48	F	1	4	12	28	3
			P	2.1	8.3	25.0	58.3	6.3

Source: questionnaire, 2011.

As it was indicated in the above table of D-6 item 1, when employees are asked about their extent of agree or disagree for their supervisors arranged flexible to working condition for their subordinates, 6.3, 10.4, 22.9, 45.8 and 14.6 percent of respondents responded as “strongly agree” in their supervisors arrangement of a flexible working environment for employees of the organization, “agree”, “neutral”, “disagree”, and “strongly disagree” in the arrangement of supervisors flexible working condition for employees. The overall data from respondents shows, most employees of the organization at observed the absence of flexible working condition arranged by their supervisors of the organization. This will facilitate mobility of skilled manpower in the organization.

Item 2 of the same table indicates, respondents extent of agree or disagree in management permit of employees to participate in decision making process, 4.2, 37.5, 52.1, and 6.3 percent of respondents responded as they “agree” in management allow of employees to participate in decision making, “neutral”, “disagree”, and “strongly disagree” that management of the organization do not allowed employees participate in decision making. Therefore, from the above data, most of the respondents assume as management do not allow them to participate in the decision making process of the organization.

Concerning the overall relationship between management and employees relationship, as it was indicated in the above table of item 3, when the issue, 2.1, 8.3, 25.0, 58.3, and 6.3 percent of respondents responded as “strongly agree” in good relationship between organization’s management and employees; “agree”, “neutral”, “disagree”, and “strongly disagree” in smooth relationship found among employees and management of the organization. So, the data obtained enforce to say more than 50 percent of employees have no harmonious relationship with management of the organization and contribute for termination of potential and skilled manpower.

Table D-7 Respondents extent of agree or disagree in the training and development contribution for turnover

No	Item	Sample	Response	Response categories				
				SA	A	N	D	SD
1	Training and development program of MoFED is better to other similar public sector organization	48	F	12	22	6	6	2
			P	25.0	45.8	12.5	12.5	4.2

Source: questionnaire, 2011.

As it is shown in the table above D-7 of item 1, when the respondents of employees are asked about the extent of agree or disagree in better provision of training and development practice of MoFED; respondents responded as 25.0, 45.8, 12.5, 12.5 and 4.2 percent “strongly agree” that the organization practicing good training and development, “agree”, “neutral”, “disagree” and “strongly disagree” because there is good training and development mechanism given to employees respectively. So, the data obtained indicates, more than 70 percent of respondents responded in good training and development practice of the organization. While some argued in absence of these practice. Therefore, it can be generalized as training and development practice of MoFED is better than other similar organizations.

CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS AND FUTURE RESEARCH DIRECTIONS

The rate at which employees enter and withdraw from organization has become a source of concern to HR managers given the damaging effect of frequent turnover could have on organizations .In order to reduce the rate of turnover in organizations, the present study sought to identify motivational variables that managers could use in order to influence employees retention. Frequent employees turnover is costly to organizations and destructive to the attainment of organizational goals. Many organizations are been able to identify properly the real reason or reasons that lead to key employees to leave. Most managers believe that increasing financial benefits of employees would motivate them to remain while others provide attractive working environment as a retention strategy. The present study therefore, sought to determine the extent to which selected motivational variables which are combinations intrinsic and extrinsic variables were being applied and were influencing employees' decision to remain or quit an organization.

5.1 Summary of findings

- Management of the organization is aware of skilled manpower turnover that the organization is facing.
- Most employees of the organization are young and first degree holders who have more intention for turnover.
- Most current employees believe that when their age increases they do not want to stay in the organization.
- Gender issues are given greater position by the management of the organization
- Most respondents believed and responded as, when their level of qualification increases their chance of working in the organization decreases.

- Employees of the organization gained valuable working experience due to the chance they obtained to work at MoFED.
- For current employees qualification and experience are considered to promote them.
- Management of the organization is not committed to provide everything that employees need for work.
- Financial issues of the organization are not attractive which motivate employees to stay at MoFED.
- Management of the organization is not providing employees different positions based on their performance.
- Terminal and pension benefits of the organization are not in satisfying employees .
- Management of the organization is not providing clear path for employees to advance their career.
- Employees of the organization have no future hope of getting better benefits.
- Employees stayed in the organization because they do not have other alternative job.
- Employees of the organization clearly identified the mismatch between the position the hold and the skill and knowledge they have.
- MoFED has changed the way the organization could run.
- The organization has no formal employees representative.
- Most employees of the organization have no sense of belongingness to the organization.
- Interpersonal relationship in the organization is not attractive.
- Disciplinary measures of the organization are not properly laid dawn.
- Management of the organization is not impartial for overall benefits of the organization.
- Supervisors of employees have not arranged flexible working condition.
- Higher officials of MoFED do not allowed employees to participate in decision making process.
- Training and development practice of MoFED are attractive and better than other public sector organizations.
- Gender issues greatly influenced ex-employees of the organization to leave.
- Ex-employees gained nothing while they were at MoFED.
- Most ex-employees believe in conducive working environment of the organization.
- Most ex-employees left the organization because low salary scale and other benefit packages.

- The organization had not provided good terminal benefits and pension for its ex-employees.
- Most organization ex-employees believe the position they held and the skill they had made also them to leave.
- Ex-employees did not have sense of belongingness to the organization while they were in the organization.
- Ex –employees believe in poor interpersonal relation of the organization.

5.2 Recommendations

In general market place, organizations worldwide relay on their employees in order to compete favorably and gain competitive advantage. There is growing need to public sector organizations in Ethiopia to improve on service delivery. To be able to do this effectively, managers in public sector organizations must devise a practical means of retaining key employees whose expertise is critical to service delivery. One of achieving this is to motivate these employees through comprehensive and proactive retention program.

The following recommendations are suggested in view of the findings of present study.

- Since the management of the organization is aware of skilled manpower turnover, it could strongly work on retention mechanisms like encourage employees to participate in decision making, arrange good working environment, giving promotions, sharing benefits based on their performance, giving clear path for career advancement, could still work on good training and development mechanisms etc....
- As the organization has no formal employees representative, it is better to have it since it contributes for employees to solve problems they face at working environment.
- Even though employees believe as their level of qualification increases, their chance of working decreases, the management is better to assign them to different positions based on qualification.
- Management should work with different bodies to get finance, which may be used for compensating and rewarding talented key performers of the organization.
- Give good terminal benefits and pension for employees.

- Since qualification and experience are considered in promoting employees, the organization should continue and improve this good practice.
- Management of the organization should provide material which is essential for discharging their responsibilities.
- Management should motivate employees to stay in the organization and convince employees to get in the future better benefits than the current benefit.
- Give power and make them to participate in decision making to make them to feel sense of belongingness to their organization.
- Management should work towards creating smooth and conducive interpersonal relationship since informal group contribute to effectiveness of work carried out by employees of the organization.
- Supervisors of the organization should work closely with subordinates and arrange flexible working condition to retain employees.
- Arrange young professions to have their own innovative thinking and give them freedom and support with materials if possible.

5.3 Future research directions

- Future research can be carried out to determine the effect of other demographic variables which are not identified in the present study but affect retention and turnover in order to predict turnover tendencies.
- Any interested researchers can include regional bureaus of finance and economic development and woreda level practices and turnover intentions of employees to show the relation between minister level and at the lower levels.
- The questionnaire used in this study could be expanded and modified to develop a retention measuring instrument which can form the basis for developing retention program for organizations.

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Appendix-A
Addis Ababa University
College of Management, Information and Economic Sciences
School of Business and Public Administration
MBA Program

Questionnaire filled by Employees of Ministry of Finance and Economic Development (MoFED)

Dear respondents:-

This questionnaire is designed for preparing a thesis on the title of Professional Employees' turnover and its Retention practice in Ethiopian Public Organizations of Minister of Finance and Economic Development (MoFED). The outcome of the study will be used in order to suggest possible solutions for problems identified while conducting the study. I kindly request you to spent your precious time to fill the questionnaire as frank as and reasonable as possible. I inform you that, the information you provide will be consumed for academic purpose only. The information you provide is confidential. Therefore, you all not expected to write your name.

Thank you for your cooperation!

Tick only one box only

A. General Background of Respondents (Demographic Information)

1. Your age group

- Below 25 31-35 above 40
25-30 36-40

2. Sex

- Male Female

3. Marital status

- Married Single

4. Qualification

- 10+2 BSC/BA PhD
12+2 MSC/MA

5. Year of service in MoFED

- Less than 1 year 2 to 5 year more than 10 years
1 to 2 years 5 to 10 years

6. Year of service in your last position

Less than 1 year 2 to 5 year 10 years and more is
 1 to 2 years 5 to 10 years

Note Select only one among the options given below

1=strongly agree
2=Agree
3= Neutral
4= Disagree
5= strongly disagree

B. Items concerning turnover of employees and retention mechanisms

No	Demographic factor questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		1	2	3	4	5
1 de	As your age increase your chance of staying in the office increases.					
2 de	Sex is determinant to stay in the office.					
3 be	Organization is committed to provide you everything you need.					
4 de	As your level of qualification increases commitment and level of stay increases.					
	Benefit and salary package questions					
5 De	You were motivated to Join MoFED for gain of experience.					
6 be	Salary scale and other benefits motivated you to stay in MoFED.					
7 paj	You stayed in MoFED because you don't have other job.					
8 Be	Financial issues of the MoFED motivated you to stay in the position.					
9 jm	You are working with the skill you have with the position in which you					

	are placed					
10 Co	MoFED had changes to the way organization is run.					
11 co	There are employees representatives in the organization.					
12 Co	You have sense of belonging to the Organization.					
13 Co	You have freedom of innovative thinking and the organization motivates you.					
14 Su	Your supervisors arranged you flexible working condition					
15 be	The organizations provided you to different positions on your performance.					
16 su	The organizations higher officials allowed you to participate in decision making.					
17	Interpersonal relation of the organization is better relative to other public organizations.					
18 be	Organization is providing good terminal benefit or pension.					
19 De	Qualification and experience are considered to promoting employees.					
20 su	The relation between managers and employees is good at MoFED.					
21b e	Management has provided a clear path for advancement of career for all employees.					
22 co	Disciplinary procedures of MoFED are properly laid down.					
23 co	MoFED is impartial for over all benefits of employees.					
24 Td	Training and development program MoFED is relatively better to other similar public organizations.					
25 Co	Working environment of MoFED is good.					
26 Jh	Young professional employees' interest to stay in MoFED is high.					
27 Co	Management and employees have awareness about turnover of the organization.					
28	Since employees of the organization					

co	are committed there is no need of supervision.					
29 Jm	Whether you are at management position or non managerial position you don't want to leave MoFED.					
30 Be	Your future hope of getting better benefit made you to stay at MoFED.					

Appendix- B

Addis Ababa University

College of Management, Information and Economic Sciences

School of Business and Public Administration

MBA Program

Questionnaire to be filled by ex- Employees of Ministry of Finance and Economic Development (MoFED)

Dear respondents:-

This questionnaire is designed for preparing a thesis on the title of Professional Employees' turnover and its Retention practice in Ethiopian Public Organizations of Minister of Finance and Economic Development (MoFED). The outcome of the study will be used in order to suggest possible solutions for problems identified while conducting the study. I kindly request you to spent your precious time to fill the questionnaire as frank as and reasonable as possible. I inform you that, the information you provide will be consumed for academic purpose only. The information you provide is confidential. Therefore, you are not expected to write your name.

Thank you for your cooperation!

Tick only one box only

C. General Background of Respondents (Demographic Information)

1. Your age group

- Below 25 31-35 above 40
25-30 36-40

2. Sex

- Male Female

3. Marital status

- Married Single

4. Qualification

- 10+2 BSC/BA PhD
12+2 MSC/MA

5. Year of service in MOFED

- Less than 1 year 2+05 year 10years and more is
1 to 2 years 5+0 10 years

6. Year of service in your last position

Less than 1 year 2 to 5 year 10 years and more
 1 to 2 years 5 to 10 years

Note Select only one among the options given below

1=strongly agree

2=Agree

3= Neutral

4= Disagree

5= strongly disagree

D. Items concerning the overall intentions that made ex- employees to leave the organization

No	Incentive and benefit package questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		1	2	3	4	5
1	You left MoFED due to its incentive and salary package is low.					
2	Gender issue made you to leave the organization.					
3	You left the organization because it doesn't provide everything you need for performing your job.					
4	You left the organization because your qualification does not meet the requirement.					
5	Nothing you gained while you were working in MoFED.					
6	You left MoFED because of other job you got.					
7	MoFED is not perceived as the organization in which you sense belongingness.					

8 co	No freedom had given for innovative thinking at MoFED					
9 su	Supervisors were rigid at MoFED.					
10 be	There was no promotion mechanism based on performance.					
11 co	Interpersonal relation between organization employees was poor.					
12 be	Terminal benefit pension of the organization was good.					
13 de	Qualification and experience were not considered at MoFED.					
14 su	There was no good relationship between manages and employees.					
15 co	Disciplinary measures of MoFED were not properly laid down.					
16 be	MoFED was not impartial for overall benefits of employs.					
17 de	Working environment MoFED was not attractive.					
18 td	There was no good training and development practice at MoFED.					
19 jm	Position you held made you to leave the organization.					

Appendix- C

Interview questions to HRPO and Management

1. Is management aware about employee mover of the organization?
2. What is your view regarding reasons for turnover of employees?
3. What costs the organization in cur due to turnover?
4. What retention mechanisms the organization made to proactively retain existing employees?
5. What is the view of current employees to stay in the organization?
6. Do all employees aware about turnover of the organization?

Statement of Declaration

I, Asmamaw Argeta hereby declare that this study; **Professional Employees Turnover and Retention Practices of Ethiopian Public Sector Organizations of Ministry of Finance and Economic Development (MoFED)**. I have carried out the present study independently with the guidance and support of the research advisor, Salehu Anteneh (PhD). The study has not been submitted for award of any Degree in this or any other Institution. It is in partial fulfilment to the requirement of the program Masters Degree in Business Administration (MBA).

Asmamaw Argeta Algesso

Date: _____