



**The Effect of Selected Human Resource Management Practices on
Employees Turnover Intention: The Case Akaki kality Sub-city**

By:

Zewdnesch Gulilat

**A Thesis Submitted to Addis Ababa University, School of
Commerce, in Partial Fulfillment of the Requirement for the Degree
of Master of Arts in Human Resource Management**

Advisor:

Seyifu Mamo (PhD)

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DECLARATION

I, Zewdnesch Gulilat, declare that the project entitled “**The Effect of Selected Human Resource Management Practices on Employee Turnover Intention: the Case of Akaki kality sub city selected woredas.**”, is my original work under the guidance and suggestion of the Research Advisor. It is offered for the partial fulfillment of the Degree of Master of Arts in Human Resource Management (MA-HRM). This project has not been submitted for any degree in Addis Ababa University or any other University and all sources of material used for the project have been duly acknowledged.

Name: _____

Signature: _____

Date: _____

Place: _____

APPROVAL

This is to certify that Zewdnesht Gulilat, Student of MA in Human Resource Management, Addis Ababa University, School of Commerce, has been working under my supervision and guidance for this project work. Her project work entitled " **The Effect of Selected Human Resource Management Practices on Employee Turnover Intention: the Case of Akaki Kaliti Sub city selected words.**" which she is now submitting is genuine and original work.

Name: _____ Signature: _____

Date: _____ Place: _____

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Sub-city**

By

Zewdnesh Gulilat ID GSE\0333\08

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Approved by Board of Examiners

1. _____

Examiner (external)

Signature

Date

2. _____

Examiner (internal)

Signature

Date

3. _____

Advisor

Signature

Date

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ABSTRACT

Employee turnover intention is a serious problem that is faced by all organizations around the world. The main purpose of this study was to examine the effects of selected human resource management practices on employee turnover intention in Akaki Kality Sub-cities. The study used quantitative approach. A quantitative method have been selected because it is viewed as to gather large data and comprehensive issues at a specified period of time .The population of this study was 1696 employees of the organization who works in selected woredas. In this study, both primary and secondary sources of data were used. The primary data were collected through questionnaire and disseminated among respondents. A total of 191 questionnaires were distributed, out of which 189 completed questionnaires were received properly . This study used journals, books, internet sources, and other references were used as secondary sources of data. Data was analyzed using descriptive statistics such as frequency tables mean and inferential statistics such as correlations and regression analysis using SPSS version 20. The analysis show that the effect of selected HRM practice which are training and development ,work condition and compensation and reward have highly significant on employee turnover intention. and. Recruitment and selection are insignificant in the study area so, to reduce employees' turnover intention, pay attention on Human Resources practice because it is the most important asset for any organization, and it is a major source of achieving competitive advantage. Therefore, organizations need to cope up with needs of the employee so as to motivate them by designing effective human resource practice.

Key words: Akaki Kality, Human resource management practices, Logistic Regression, Turnover Intention

CHAPTER ONE

1. INTRODUCTION

1.1 . Background of the Study

Human resource is regarded as a valuable resource in any organization. Armstrong and Baron (2007) state that people and their collective skills, abilities, and experience are now regarded as making a significant contribution to organizational success and as constituting a major source of competitive advantage.

Human resource management is critical to the success of organizations because human capital has certain qualities that make it valuable.(Noe *et al.*, 2007).employee Turnover is defined as the “individual movement across the membership boundary of an Organization” (Price, 2001; Thwala et al., 2012).

The human resources management refers to the integrity of principles and applications regarding the responsibilities about the ‘human resources’ of top management like human resources planning, job analysis, recruitment process, selection, orientation, charging, work evaluation, labor force training and industrial relations (Dessler, 2007). Human resources consist of principles, practices and systems that affect the behaviors, attitudes and performances of the employees (Noe, Hollenbeck, Gerhart, and Wright,2007). To be included in the present study, practices accepted in multiple institutions like human resource practices, the recruitment and selection process, workforce education, work evaluation, charging and industrial relations have been chosen (Yeganeh and Su, 2008).

Employee turnover is one of the factors which affects organization’s productivity; which is considered to be one of the challenging issues in business nowadays.Purcell and his colleagues (2007) employee turnover proven to be one of the most costly and seemingly intractable human resource challenges confronting several organizations globally. In the era of globalization, employee turnover is a persistent problem in organizations and it is common in every type and size of organization and at every organizational level. Staff turnover is a serious issue especially in the field of human resources

management. It is very costly for an organizational and the cost is due to termination, advertising, recruitment, selection, and hiring (AbbasiHollman, 2008).

Tuzun, (2007) researchers try to understand the major determinants of turnover intention and develop some managerial implications to deal with the problem of high employee turnover rate .Previous studies indicate that job stress and job satisfaction is significantly correlated with continuous commitment and will affect the decision of employees whether want to continue or quit from a job. In AkakiKality sub city selected woredas employee have some problems that causes them intend to leave, for example they are not given the opportunity to do their best work and are not highly valued by their employer. Some of them will feel disappointed and dissatisfaction with how their work is recognized and too many uncertainty barriers to successfully completing tasks.(loi, et al., 2006).

1.2. Background of Study Area

Akaki kality is one of the 10 sub city of Addis Ababa located in the south of The city divided 11 werdas the population is estimated 220980 (ECSA) most of the woredas are found at the out skirts of the city. Geographically, the sub-city is delineated from Bole Sub-city, Oromiya regional state, and Nefas-Silk Lafto Sub-city in Northern south, southern east, and Northern West Respectively. The major stakeholders that have actively take part in the words such as Akaki kality sub city administration finance and economic development office, technical and vocational office, justice office, labor and social affairs, police department women and children affairs office. this sub-city is the major industrial zone in the country. The main business activities engaged by the people are industrial and agricultural.

1.3. Statement of the Problem

In today business environment employees appear to be less committed to their respective organization. An employer cannot guarantee stability and longevity of corporate career paths or the security of employee's job. Employee turnover is one of the most significant causes of declining productivity and disruption of the production process. Higher job turnover intention is leading to higher costs associated with recruitment, selection, job training and cost of training including supervisory time spent in formal training. Therefore, if employee turnover is not managed properly it would affect the organization productivity(Abassi, and Hollman, 2000 as cited Zheng et al, 2010).

There are several factors that affect employees turnover intention ,some of them are new policy, workload without sufficient payment, jobdisatisfaction and lack of effective human resource practice therefore frequent turnover of employees, will costing the organization in terms of productivity ,performance, money and time so over much employee turnover is a threat for the administration.(Meaghan et al. 2012).

Human resource practices play a crucial role in influencing employee attitudes and behavior. Turnover intention reveals the subjective probability that an individual will leave the organization and thus reflects one's attitude towards the organization. Actual employee turnover represents an outflow of skills and may consequently seriously hinder competitiveness, efficiency and quality delivery. Human resource practices invest in improving service capacity through selection policies, training practices, integrated performance appraisal, competitive rewards and empowering employees in decision making, which would provide sufficient support to employees so that they can do their best to satisfy and to successfully carry out their tasks.

From Various human resource practices this study addressed four practices which are recruitment and selection, training and development, work condition and compensation and reward can effect on employee turnover intention. The research brings to the influence of human resource management practice and the need to systematically use these practice to reduce employee turnover intention in Akaki Kality Sub city.

1.4. Research Questions

1. What are the influence of selected HRM practice (recruitment and selection, compensation and reward ,training and development, work condition)on employee turnover intention in Akaki kality sub city?
2. To what extent employee turnover intention see in Akaki kality?
3. What is the relationship between demographic information with employee turnover in Akaki kality sub city?

1.5. Objective of the Study

The general objective of the study have been to examine the influence of four human resource management practices (i.e. Training and career development, compensation and reward, work conditions, recruitment and selection) on employee turnover intention in selected sub city of Akaki woredas

1.5.1. Specific Objectives

- To examine the influence of selected HRM practice(recruitment and selection, compensation and reward ,training and development, work condition) on employee turnover intention in Akaki Kality sub city.
- To study the extent of employee turnover intention in Akaki kality.
- To examine the relationship of demographic information with employee turnover intention.

1.6. Significance of the Study

The finding of this study will have a special significance in solving various problems related to human resource practice in employee turnover intention. this study will be useful for other organizations to reduce employee turnover in their business entity. and also it attempt to good human resource practices contribute in shading some light on employee turnover intention in the organization. The Results and suggestions from this endeavor which is carry out in Akaki kality sub city context can be utilized by other organization to enhance corporate competitiveness and performance. This study will also help for practitioners, policy maker's stake holders that benefit from the adoption of this human resource practice In addition, it provides information for others who are interested to conduct a farther study regarding to the impact of human resource practice in employee turnover intention In summary, the present research intends to endow human resource practitioners with guidance and support to proficiently manage turnover in their organization.

1.7. Scope of the Study

This study was covers employees who are currently working in Akaki kality sub city in selected woredas. The study geographically limited to employees of 4 woredas (woreda4,woreda7,woreda9,woreda11) areas because it is obvious it would be very difficult to

conduct a study throughout 11 woredas. All level employees have been included in this study and their feedback being corporate. Moreover this study tried to assess only four human resource practices that effect on employee turnover intention. In addition study was contain the resent year documents.

1.8. Definitions of Key Terms

The following definitions of terms used in this study are adapted from related literatures and modified to suit the study.

Turnover is defined as the “individual movement across the membership boundary of an organization” (Price, 2001 as cited in Sarminah, 2006)

Employee turnover is the rotation of workers in the labour market; among firms, jobs and occupations (Abassi, and Hollman, 2000 as cited Zheng et al, 2010).

Turnover intention is the cognitive process of thinking, planning, and desiring to leave a job.

Human Resource: are the people an organization employees to carry out various jobs, tasks, and functions in exchange for wages, salaries and other rewards (Denisi and Griffin, 2005).

1.9. Organization of the Study

This research paper consists of five Chapters. Chapter one provides an overview about the background of the study and the organization, statement of the problem, the research question and objective, significance and scope of the study, and research variables and definition of terms. Chapter Two briefs literature theoretical, empirical and conceptual related to employee turnover intention, and indicators of turnover intention. Chapter Three concentrates on the research methodology and Chapter Four provides findings, discussions and analysis of the study. Chapter five presents the conclusion, recommendation, and summary of the study.

CHAPTER TWO

2. LITERATURE REVIEW

2.3. Theoretical Review

2.3.1. Human Resource Management Concepts

Human resource management is defined as a strategic and coherent approach to the management of an organization has most valued assets the people working there who individually and collectively contribute to the achievement of its objectives. John Storey (1989) cited in Armstrong, (2006), believes that Human resource management can be regarded as a ‘set of interrelated policies with an ideological and philosophical underpinning’. He suggests four aspects that constitute the meaningful version of HRM:

- A particular constellation of beliefs and assumptions;
- A strategic thrust informing decisions about people management;
- The central involvement of line managers;
- Reliance upon a set of ‘levers’ to shape the employment relationship

Marescaux et al. (2012) argued that soft human resource practices include five practices, which are: training, career planning and development, mentoring, employee involvement and participation, as well as developmental assessment. Farzaneh et al. (2014) identified two types of human resource practices, which are person-job fit and person-organization fit. López et al. (2006) studied four human resource practices: selective hiring, training, compensation and reward, and employee participation. Guerci et al. (2015) divided human resource practices into three types: human resource practices that improve employees’ abilities such as selection and training, and practices enhancing employee’ motivation like performance management, compensation and incentives, and practices enhancing opportunities like employee involvement and job design. Joarder et al. (2011) identified six practices including supervisors’ support, training and development, job security, job autonomy, compensations, and work conditions.

A lot of researches have been conducted on the role of human resource practices in mitigating voluntary turnover, and in each of the studies, the conclusion is that human resource management practices go a long way to affect turnover intention. Memon et al. (2010) identified that appropriate and proficient organizational policies and human resource management practices geared toward employee retention will stimulate employee satisfaction and performance. They argued that organizations that put in place practices like effective and equitable compensation structure, appropriate promotional scales, and enhanced development and training opportunities will motivate their employees to stay.

2.3.2. The Matching Model on HRM

One of the first explicit statements of the HRM concept was made by the Michigan School (Fombrun *et al* 1984 cited in Armstrong, 2006). They held that HR systems and the organization structure should be managed in a way that is congruent with organizational strategy (hence the name ‘matching model’). They further explained that there is a human resource cycle which consists of two generic processes or functions that are performed in all organizations. These are:

- **Selection:** matching available human resources to job;

- **rewards** : ‘the reward system is one of the most under-utilized and mishandled managerial tools for driving organizational performance’; it must reward short as well as long term achievements, bearing in mind that ‘business must perform in the present to succeed in the future’

2.3.3. The Employees Turnover: Definition and Concepts

Turnover refers to retirement, resignation and redundancy. Employee turnover is considered to be one of the persisting problems in organizations (Armstrong, 2009 cited in *Hana and Lucie, 2011*). The turnover means that another organization may gain a new knowledge employee who can become its competitive advantage. The loss of knowledge thus is a threat for the former organization, which increases the significance of knowledge continuity (*Hana and Lucie, 2011*). Internal factors such as facilities in the organization and external factors (attractive factors such as salary and other benefit packages in external market) should be taken in account to reduce the turnover rate. More specifically, the following points stated as causes of turnover. Ineffective communication about job

expectations, inability to listen well and ask the right questions respectfully, wage problems, under-utilization of skills, adverse working conditions, and lack of opportunity for advancement through seniority, lack of well-organized training program (Pertrillose, 2015).

2.3.4. Causes of Turnover

1. The causes of turnover can be summarized into the following seven factors: Employees leave their work position due to low pay (remuneration, benefits, imbalance between performance and reward).
2. A secure future is an important factor having impact on the decision to leave a work position (trust in the company's vision, following business ethics, trust in leaders/management, new projects and innovation, speed of employee turnover, a vision of the future).
3. Good relationships at the workplace support employees' decision to stay with their organization although there are good reasons for leaving (co-operation, treatment, fairness, tolerance, helpfulness, the style of assigning and performing tasks).
4. Roles and positions (recognition) in the organization have a major impact on work satisfaction (prestige, opportunities, development, recognition).

2.3.5. Causes and Influencing Factors for Turnover

Turnover arises from the unhappiness from job place for individual employee. But being unhappy in a job is not the only reason why people leave one company for another. If the skills that they possess are in demand, they may be lured away by higher pay, better benefits or better job growth potential. That's why it is important to know and recognize the difference between employees who leave the job because they are unhappy and those who leave for other reasons. There are number of factors that contribute to employee turnover. We explore some of these factors in more detail below:(European Journal of Business and Managementwww.iiste.org)

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

ii. **The characteristics of the job-** some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment.

Demographics -empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers.

iv. **The person-** *In* addition to the factors listed above; there are also factors specific to the individual that can influence turnover rates. These include both personal and trait-based factors. Personal factors include things such as 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.

A bad match between the employee's skills and the job– Employees who are placed in jobs that are too difficult for them or whose skills are under-utilized may become discouraged and quit the job.

Substandard equipment, tools or facilities –If working conditions are substandard or the workplace lacks important facilities such as proper lighting, furniture, restrooms and other health and safety provisions, employees will not be willing to put up with the inconvenience for long time

Lack of opportunity for advancement or growth– If the job is basically a dead end proposition, this should be explained before hiring so as not to mislead the employee. The job should be described precisely, without raising false hopes for growth and advancement in the position.

Feelings of not being appreciated– since employees generally want to do a good job, it follows that they also want to be appreciated and recognized for their works. Even the most seasoned employee needs to be told what he or she is doing right once in a while

Inadequate or lackluster supervision and training– Employees need guidance and direction. New employees may need extra help in learning an unfamiliar job. Similarly, the absence of a training program may cause workers to fall behind in their level of performance and feel that their abilities are lacking.

Unequal or substandard wage structures– Inequity in pay structures or low pay is great causes of dissatisfaction and can drive some employees to quit. Again, a new worker may wonder why the person next to him is receiving a higher wage for what is perceived to be the same work.

2.3.6. Effects of Employee Turnover

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

2.3.7. Human Resource Management Practices

From the perspective of Strategic human resource management, policies and practices can be mutually reinforced and create a strong impact on organizational goals (Morris & Snell, 2010). A firm's human resource management practices refer to the policies, practices, and systems that influence employees' behavior, attitudes, and performance. It is sometimes referred to as involving "people practices". Human resource management practices include analyzing and designing work, determining human resource needs, attracting potential employees, choosing employees, teaching them how to perform their jobs and preparing them for the future, rewarding employees, evaluating their performance and creating a positive work environment.

2.3.8. Recruitment and Selection

Ensuring that the right people are in the right place at the right time is a critical factor in gaining and maintaining competitive advantage. Recruitment and selection have always been crucial processes for organizations. They are integrated activities. (Bratton and Gold 2007: 239-247) refers to recruitment as "the process of generating a pool of capable people to apply to an organization for employment. Selection is the process by which managers and other use specific instruments to choose from a pool of applicants the person or persons most likely to succeed in the job(s), given management goals and legal requirements". Recruitment and selection represent the entry point activities. Hence, emphasis may be placed on admitting only those applicants who are likely to behave, acquire skills and show attitudinal commitment in line with the requirements of the organization's strategy. Effective recruitment relies on the degree to which overall management philosophy supports and strengthens an

approach to HRM that focuses on the deployment and development of new employees once they have gained entry to an organization.

2.3.9. Employees Training and Development

Training and development constitute an ongoing process in any organization. “Training is the formal and systematic modification of behavior through learning which occurs as a result of education, development and planned experience (Armstrong, 2001: 543).” In contrast, staff development refers to the development of supporting, technical and professional staff in organizations, such as local authorities, in which such staff form a large proportion of those employed. Its aim is to enable such employees to perform their current and future role effectively (Collin, 2001:305). Effective training can minimize learning cost; improve individual, team and corporate performance speed and overall productivity, upgrade operational flexibility by extending the range of skills possessed by employees, attract high quality employees by giving them learning and development opportunity. It increases the job knowledge and enhances their skill thus enabling them to obtain more job satisfaction to gain higher reward and promotion. Furthermore, it helps employees to identify organization goals and mission, helps not only managing change but also developing positive culture in the organization, which in turn may lead to providing higher level of service to stakeholders (Armstrong, 2001: 544)

According to Khan (2012), training involves providing the employees the knowledge and skills needed to a particular current job or task while development is preparing employees for future work responsibilities, increasing capacities and help them to perform their current job. Hence, a competitive success of an organization is achieved through the skills and potentials of the people that they possess (Leimbach et al., 1998). Training will improve the employees’ performance and productivity. Apart from recruiting, selecting, orienting and placing employees in jobs do not ensure success. In most cases, there may be gap between employee knowledge and skill and what the job demands that could be filled through training programs (Abdullah, 2009). Training can be given internally and externally. Internally, could be on-the-job at the work station and off-the job through lecture and demonstration, while externally, by universities and colleges to develop depth expertise (Gomez-Mejia, 2007).

2.3.10. Compensation and Benefits

Employee benefits are constantly evolving as the workforce itself evolves, and as people identify new priorities as being important. It is important to note that the relative importance of benefits will vary according to the specific needs of each individual (Lochhead C. & Stephens A. 2004). The importance of a benefit plan to an employee with dependents may assume far greater importance particularly in an environment where benefits costs are increasing rapidly (Tompkins and Beech, 2002).

Competitive compensation packages can signal strong commitment on the part of the company, and can therefore build a strong reciprocal commitment on the part of workers. However, to the extent that it contributes to retention, competitive compensation is also likely to affect both desirable and undesirable turnover: it will help to retain workers, irrespective of the quality of their contribution to the company. (Lochhead C. & Stephens A. 2004)

Turnover is defined as the “individual movement across the membership boundary of an organization” (Thwala et al., 2012). Unlike actual turnover, turnover intention is not explicit. Intentions are a statement about a specific behavior of interest. Turnover intention is defined as the reflection of the probability that an individual will change his or her job within a certain time period (Sousa-Poza and Henneberger, 2002) and is an immediate precursor to actual turnover

2.3.11. Internal and External Factors

Internal factors such as facilities in the organization and external factors (attractive factors such as salary and other benefit packages in external market) should be taken in account to reduce the turnover rate. More specifically, the following points stated as causes of turnover. Ineffective communication about job expectations, inability to listen well and ask the right questions respectfully, wage problems, under-utilization of skills, adverse working conditions, and lack of opportunity for advancement through seniority, lack of well-organized training program (Pertrillose, 2015). Surline adds other factors such as corporate culture and workers involvement in the decision making process. He argues that as the labor market gets smaller, companies become more competitive in their compensation structure making corporate culture more important than ever.

Employees are less loyal to their organizations, they want more involvement in decision making and they see in their work a realization of themselves and this is a fundamental reason for their leave in case their job doesn't satisfy them (Surline, 1999).. The term "turnover" is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Voluntary turnover is when an employee chooses to quit their job. When the company ends the working relationship through either layoff or discharge, this is an involuntary turnover. Not all employee turnovers can be controlled by the company but the rate of voluntary turnover can and should be a priority for managers.

Griffeth and Hom (2001) offer to focus on the part of turnover that is of real concern to an organization by differentiating between voluntary and involuntary turnover. In other words, did the employee choose to leave the job or was it a decision made by the employer? Then, voluntary resignations are further distinguished between functional (exit of substandard performers) and dysfunctional (exit of effective performers). Finally, unavoidable resignations over which the employer has no influence are also left aside (family move, childbirth, serious illness or death). This leaves the group of avoidable resignations as the key focus. It also implies that to allow an informed decision, turnover rates have to be calculated down to department level, to identify which areas are most problematic Johnson J, Griffeth RW, Griffin M(2000).

Based on this issues employee turnover may be classified into five categories:

A. Functional Vs Dysfunctional Turnover:

Functional turnover can be defined as "A turnover in which poor performers leave" while Dysfunctional turnover can be defined mass "A turnover in which good performers leave" .

B. Avoidable Vs Unavoidable Turnover:

A turnover that happens in avoidable circumstances is called 'Avoidable Turnover', where as "A turnover that happens in unavoidable circumstances is called 'Unavoidable Turnover'.

C. Voluntary v/s Involuntary Turnover:

Voluntary turnover can be defined as “The turnover in which employee has own choice to quit or instances of turnover initiated at the choice of employees” where involuntary turnover can be defined as “The turnover in which employees have no choice in their termination e.g. sickness, death, moving abroad or employer’s initiated termination”.

D. Internal Vs External Turnover:

Turnover can be classified as ‘internal turnover’ or ‘external turnover’ (cited in Wikipedia). Internal turnover happens when employees send-off their current position and getting a new position within the same organization. It is related with the internal recruitment where organizations filling the vacant position by their employee or recruiting within the organization.

E. Skilled Vs Unskilled Turnover

Untrained, uneducated and unskilled positions often face high turnover rate. Without the organization or business incurring any loss of performance, employees can generally be replaced. On the other hand skilled and educated positions may create a risk to the organization while leaving. Therefore turnover for skilled and educated professionals incur replacement costs as well as competitive disadvantage of the business.

2.3.12. Why People Leave an Organization

Many reasons describe why employees withdraw from an organization 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 organizations for various reasons which can be divided into two: pull and push factors.

2.3.13. HRM in the Public Sector

Effective human resource management is a critical function in today's public sector. HRM in the public sector has been characterized by the creation of structures that are more flexible and processes, the elimination of highly centralized agencies and service-wide consistency of rules and greater responsibility accorded to line managers and supervisors in the management of employees through flatter management structures and programmers of decentralization and devolution. At the job level,

broader and multi-skilled jobs were introduced. There was also a greater concentration on performance and output measures (Brown,2004:307).

According to Olowu and Adamolekun (2007:87), the practical importance of the recent HRM orientation for African public administration systems is that, it underlines the transformation of personnel departments in public sector organizations from a preoccupation with inactive roles of administering obsolete rules to actively developing and pursuing policies for synergizing the personnel function with overall proactive strategic management within the organization, focused on among other things recruitment and selection, performance appraisal, training and development, and reward system.

2.4. Empirical Review

Table 2.1 Empirical Review

Researchers/ Organizations	Country/ Year	HRM practices / factor investigated	Critique	Knowledge Gap
Mensah and Alemna	Ghana 2005	Job-related stress On-the-job conflicts Low pay Low status Unchallenging work Incompetent managers Dissatisfaction with manual system	Questionnaires and personal interviews were used in the study this provides good triangulation. However only 21 questionnaires were used and this is a small sample size and could make the result inconsistent. Also apart from calculating percentages of the result no statistical analysis was done	The researchers should have used more questionnaires or targeted a lot more respondents.

Chew and Chan	Canada and Australia 2008	Person-organisation fit Remuneration and recognition Challenging assignments Training and career development	there was no conceptual framework and the analysis was quite complicated. It also failed to research some emerging issues in HRM.	There should have been a conceptual framework to illustrate relationships between variables.
Hong, Hao, Kumar, Ramendran and Kadiresan University of Y	Malaysia 2012	Employee empowerment Training and development Appraisal system Compensation	Large sample size of 278 and right use of multiple regression analysis. SPSS was used to analyze the data.	The researchers should have presented a better conceptual framework

Source: Brown, K. (2013))

2.5. Conceptual Framework

The framework components outlined (see Fig. 1) consist of the independent variables, which are the causal factors, the immediate effect which is the HRM practices and the final outcome which is staff turnover intentions. The conceptual model:

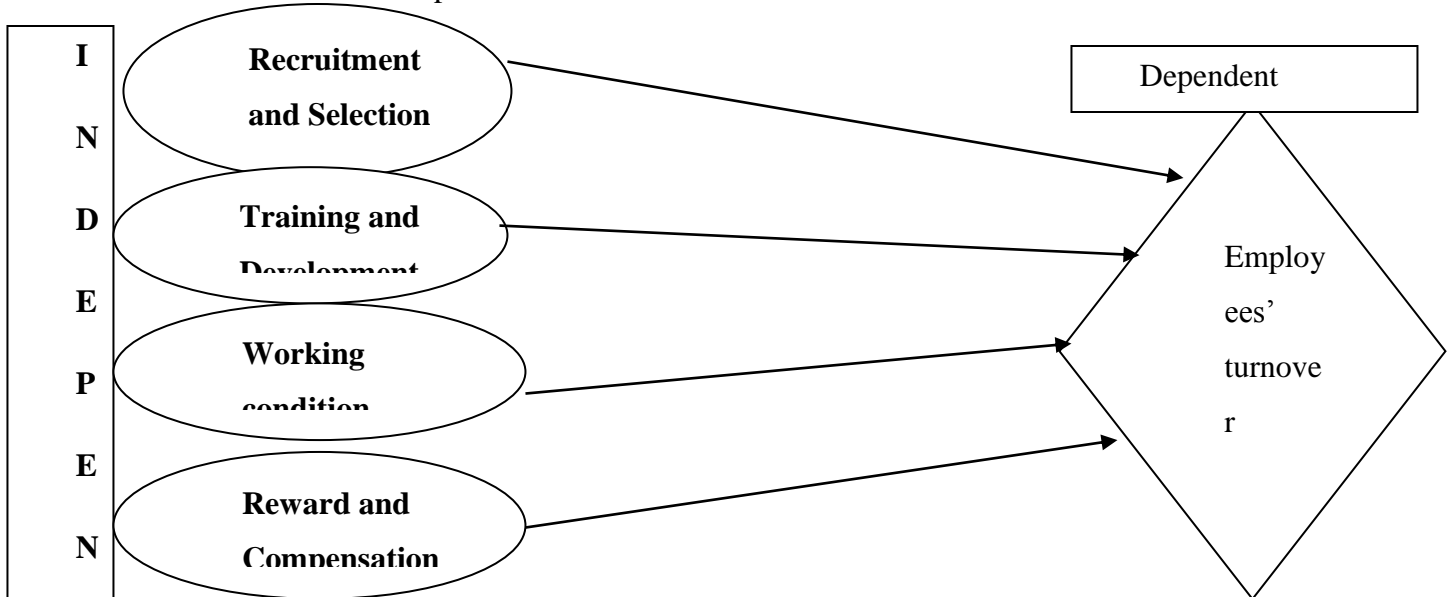


Figure 2.1: Conceptual framework of the effect of HRM practices on employee turnover intention Chew (2004)

2.6. Research Hypothesis

The following hypothesis was addressed:

Hypothesis 1

H0: There is no significant relationship between compensation and reward with employee turnover intention

H1: There is a significant relationship between compensation and reward with employee turnover intention.

Hypothesis 2

H0: There is no significant relationship between work condition with employee turnover intention

H1: There is a significant relationship between work condition and employee turnover intention.

Hypothesis 3

H0: There is no significant relationship between recruitment and selection with employee turnover intention.

H1: There is a significant relationship between recruitment and selection with employee turnover intention.

Hypothesis 4

H0: There is no significant relationship between training and development with employee turnover intention.

H1: There is a significant relationship between training and development with employee turnover intention.

CHAPTER THREE

3. METHODOLOGY

3.1. Research Approach

The study used quantitative approach. A quantitative method have been selected because it is viewed as to gather large data and comprehensive issues at a specified period of time (Ngwenya, 2010).

3.2. Research Design

The research design followed has been determined by the nature of the problem statement or more specifically by the research objectives. Hence in this study, Descriptive research and Inferential Analysis was used. The major purpose of Inferential Analysis allow to infer from the data through analyzing the relationship between variables and how several independent variables might explain the variance in a dependent variable. The major purpose of descriptive research is description of the state of affairs as it exists at present analyzed by using test such as regression . As the name implies, the major purpose of descriptive research is to describe characteristics of groups, organizations (Kothari 2004).

3.3. Methods of Data Collection

The study was both primary and secondary sources of data. Primary data was obtained through questionnaire. Questionnaire is prepared for employees who work in the woredas. A five point likert scale questionnaire is used to measure the variables of the study. Some of the questionnaire item was adapt from past researches; (Rathnaweera, 2010) and (Nihat Kaya *et al...*, 2010) which are better to describe the variables under study. Secondary data was gathered from published and unpublished theoretical literatures and empirical studies, books, journal articles, internet and other publications.

3.3.1. Research Instrument

Questionnaire instrument was choose because data collected from respondents can save our time to collect and is cheaper method to obtain data requirement. The questionnaire is designed in fixed-

alternative which take less time to answer and easier for the respondent to answer (G.Zikmund, Babin, Carr, & Griffin, 2010). The questionnaires are using types of fixed-alternative which are simply-dichotomy question and determinant-choice question. A pilot test had been conducted on a 30 of respondents to examine the potential problem of the research method or the design prior the main research The SPSS program test on the reliability of the questionnaires had also run before the actual survey being conduct. This is very important step so that researchers can make any adjustment in the questionnaire in order to improve the reliability of the test. After done all the amendments, the main questionnaire surveys for 189 respondents were distributed according to the number needed for each woredas.

3.4. Sampling Techniques

Akaki- Kality sub-city was selected randomly among the ten sub- cities of Addis Ababa Administration with a lottery methods. In Akaki Kality have 11 woredas from over all of this by using simple random sampling technique select 4 woredas the main reason use random sampling technique helps the researcher to minimize sampling bias and creates relatively homogeneous samples when dealing with the population

3.5. Sample Size Determination

In the determination of sample size the three criteria have very important to gather the required data from sample respondents. These included the level of precision, the level of confidence or risk and the degree of variability in the attributes being measured that enable the researchers to determine appropriate sample size. Therefore, by considering these issues sample size to collect data through questionnaire for this research was determined by using simple formula of Nasiurma (2000) in Nyabwanga, R., and Ojera, P., (2012);

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

Where: n = the sample size

N=the study of population

e = the level of precision (0.05)

C=the coefficient of Variation(0.5)

1 = designates the probability of the event occurring Therefore:

$$n = \frac{1696*0.5}{(0.5^2 + 1696-1 0.05^2)} = \frac{849}{4.4625}$$

$$n=191$$

Table3.1:Population and Sample Size

Randomly Selected words	Number of employee	Sampling(n)
Woreda4	450	51
Woreda7	483	54
Woreda9	369	42
Woreda11	394	44
Total	1696	191

So, based on the above formula 191 sample was selected from the target population and participated in the study which includes both employees and managers. The sample size obtained was allocate to four woredas to their population size.

3.6. Reliability and Validity of Data

Best and Kahn(2012) define validity as the quality of a data gathering instrument or procedure that enables it to measure what is supposed to measure.

Reliability refers to the degree to which measures are free from random error, and therefore, yield consistent results (Zikmund 1997). The scales of the six factorized variables were checked for internal consistency or reliability by applying reverse coding as appropriate and using binary regression analysis in SPSS version 20.0.

3.8. Variables of Interest

Description of variables for socioeconomic, demographic and other related variables with the effect human resource management practice on employee turnover intention.

3.8.1. The Dependent Variable

Dependent variable in this study is employee turnover intention that are dichotomized as 1 if the response is turnover intention see in wordas and as 0 if no turnover intention.

3.8.2. Independent Variables

Independent variables Recruitment and Selection, Training and Development, and Compensation and reward, and work condition and the individual characteristics of demographic, socio-economic have been considered as independent variables that can effect on employee turnover intention. Obviously, the selection of all these variables is based on the supportive research findings and based on some characteristics of the variables.

3.9. Methods of Data Analysis

The quantitative data collected from the respondents, described and analyzed using statistic software called SPSS (Statistical Package for Social Science) version 20. The data was entered and coded into the SPPS spreadsheet to describe and analyze the results along with tables to present and discuss the results of the study. A descriptive statistical such as percentage and frequencies were used to describe the profile of respondents, and effects of HRM practice employee turnover intention. Chi-square test was used to test the fit of the logistic model effect of HRM practice significant relationship or not on employee turnover intention. Regression analysis was also carried out to determine was used to measure the degree of association between selected HRM practices and employees' turnover intention. because Unlike linear regression, logistic regression can handle both categorical and numeric variables

3.10. Ethical Considerations

This study used proper citation of the copy right holders. Any confidential information of the organizations or the employees has not been disclosed since the main intention was to gather data for the research purpose. This research is conducted on the consent of the Akaki kaliti sub city and with the arrangement of Addis Ababa University, School of Commerce with authorized legal letter to the researcher.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

This chapter deals about the response rate of respondents the results survey which is the analysis of data obtained from data 189 in Akaki Kality selected woredas and binary logistic regression analysis were used to identify the main determinant factors of employee turnover intention.

4.1. Response Rate of Respondents

In this study 191 questioner were distributed and 189 were returned which are 98% based on this the next analyses is carried out

Table 4.1: Respondents Demographic Information

factors	Category	frequency	Percent distribution of Respondents
Gender	Male	107	56.6%
	Female	82	43.4%
Age	20-29	87	46%
	30-39	77	40.7%
	40-49	16	8.5%
	Above 50	9	4.8%
Qualification	Diploma	39	20.6%
	First Degree	119	63%
	Second Degree	28	14.8%
	Above	3	1.6%
Experience	1-3	77	40.7%
	4-6	69	36.5%
	Above 6	43	22.8%
Monthly Income	Below 1200	13	6.9%
	1201-3800	108	57.1%
	3801-5400	36	19.1%
	Above5400	32	16.9%
Marital status	Single	79	41.8%
	Married	83	43.9%
	Divorced	26	13.8%

Source: Researcher's Survey

Table 4.1: summarizes the demographic information of the respondents.. A total number of 189 respondents which was the entire sample completed the questionnaire. Out of the 189 respondents, 56.6% were male while the rest 43.4% were female this shows the samples taken represented male and female is relatively distributed on a fairly basis.. Also, majority of the respondents which represent 46% were between the age group of 20-29 years and 40.7% were in the age group 30-39 rest one 16% and 9% . This indicates that most of the employees are young and highly implies Akaki kality employment trend focuses on new and young employees.

The salary range of the employee indicated most of the respondent's (57.1%) salary ranges from ETB 1201-3800 while 19.1% of the employees earn a salary of between ETB 3801- 5400. Employees of which account about 6.9% earn a salary of below ETB 12,00.00 and high paid employee's salary ranges above 5400 while 16.9% . Therefore, comparing the salary of the employee helped us to compare the employee turnover intention .

Level of education reveals that 63% of respondents have first degree and 14.8% have second degree Majority of the respondents (40.7%) joined. This shows that majority of the employees are degree holders because the company adopted a recruitment policy of young fresh graduate and a minimum of bachelor degree is required to join the workforce of Akaki kality new comers for the company from 1-3 years and 36.5% of the respondents spent their employment time for 4-6 years with the organization. Only 22.8% had been working for above 6 finally, (41.8%) were single while 43.2% were married 13.8% divorced. Since marital status has its own impact on employee turnover intention, the researcher has accessed this result for comparison between their statuses.

4.2. The relationship between demographic profile with employee turnover intention

Table 4.2 Analysis on Demographic versus Employee turnover intention by using binary logistic regression

	B	Sig.	Exp(B)
Gender	.183	.613	1.201
Qualification	.268	.004	1.308
Age	-1.076	.045	.341
Experience	-.270	.025	.763
Income	-1.289	.029	.276
marital stat	.423	.640	1.526

Source: Researcher's Survey

Based on results displayed in Table 4.2 this model predict the odds ratio of demographic variable therefore the p value is of gender (sig. = .613) is greater than the significance value of $\alpha=0.05$, indicating that there is no relationship between gender and employee turnover intention the variable of age decides there is employee turnover intention in the organization the p value is (sig. = .045) is less than the significance value of $\alpha=0.05$, indicating that there is relationship between age and employee turnover intention. the other variable I want to compare from the above demographic variable the experience of the respondents with employee turnover intention the p value is ((sig. = 0.008) is less than the significance value of $\alpha=0.05$, which indicates that there is significant relationship between work experience and employee turnover intention. and the income of the respondents between 1200-3800 highly turnover intention that associated with HRM practice because according to the above table, the p value is ((sig. = 0.029) is less than the significance value of $\alpha=0.05$, which shows us there is significant relationship between salary range and employee turnover intention .in the last p value in the above table is ((sig. = 0.640) is greater than the significance value of $\alpha=0.05$, therefore, marital status has no significant relationship with employee turnover intention so those predictor variables that are associated with employee turnover intention are less than 5% level significance binary logistic regression analysis models were fitted.

4.3. The Effect of Human Resource Practice on Employee Turnover Intention

Table4.3. Descriptive Statistics for work condition

Statement	N	Mean	Std. Deviation
Are the organization improvement of the working conditions	189	2.66	1.306
I am satisfied with the amount of time I spend at work.	189	2.52	1.291
My organization have experienced and educated employees	189	2.20	1.301
Little control by the direct manager in the daily work of the subordinate.	189	2.56	1.298
Total	189		

Source: Researcher's Survey

Regarding work condition, respondents were requested to rate based on the five point Likert scale ranging from 5 for strongly disagreed to 1 for strongly agreed. The result in table 1.3 revealed that the amount of time spent at work (Mean= 2.66, SD= 1.306), have experienced employee (M= 2.52, SD= 1.291) little control by direct manager (Mean=2.20, SD= 1.301), improve working condition (Mean=2.56, SD=1.298). Wholly, the overall mean for all working condition items become 2.48 implies that the working condition of akaki kality selected woredas were not satisfied with organization working condition.

Table 4.4: Descriptive Statistic for Training and Development.

Statement	N	Mean	Std. Deviation
Are you satisfied with your job training	189	2.27	1.257
Do you think Good internal facility for training in the organization.	189	2.37	1.202
Does organization provide regular opportunities for personal and career development.	189	2.50	1.274
Employee are properly oriented and trained upon joining the organization	189	2.38	1.247
Total	189		

Source: Researcher's Survey

The result in Table 4.4 revealed that the statement Are you satisfied with your job training had got a mean score values of 2.27. The statement Do you think Good internal facility had got a mean score values of 2.37. As also indicated in table 4.5`provide regular opportunities for personal and career development had got a mean score values of 2.50. The statement Employee are properly oriented and trained upon joining the organization had got mean score values. In general, the overall minimum mean value ranges from M=2.27 to 2.38 while the maximum mean ranges from M=2.50 Therefore, when we look at the aggregate result, the employees are a high dissatisfied with training and development program. This shows that there is a strong relationship between the independent variables and the dependent variable that is employee turnover intention

Table 4.5: Descriptive Statistic for Recruitment and Selection

Statement	N	Mean	Std. Deviation
Do you think that employee selection process in organization are good	189	3.00	1.229
are you happy with the procedure of internal and external recruitment	189	3.78	1.322
Is that Realistic job preview during the process	189	3.04	1.324
Informing about the vacant jobs, suitable for the subordinate	189	3.64	1.350
Total	189		

Source: Researcher's Survey

Table 4.5 presents the reflection of respondents. As indicated, the response of employees toward that employee selection process in organization are good had a mean score of 3.00. Furthermore, are you happy with the procedure scored mean value of 2.78 and Informing about the vacant jobs 3.04. from the result table4.4 can deduced that the overall mean values 2.965 with the respect to all responsive dimensions showed an agreed result. This indicated that recruitment and selection does not contributed to employee turnover intention

Table 4.6: Descriptive Statistic for Compensation and Reward

Statement	N	Mean	Std. Deviation
Do you agree compensation package is essential to retain qualified employee?	189	3.54	1.699
People who are hardworking are rewarded in the organization	189	2.24	1.282
The salary and benefits I receive in this organization is commensurate with my responsibilities	189	2.30	1.308
Is the current salary structure improving service delivery	189	2.41	1.368
Total	189		

Source: Researcher’s Survey

From the above table 4.6, we can see that the highest mean score of $M=3.54$; $SD=1.699$ was for agree compensation package is essential to retain qualified employee . However, the lowest mean $M=1.41$; $SD=0,368$ has dissatisfied the employees followed by the salary of the employee has not considered the current market . More importantly, employees are not satisfied with their current salary scale Therefore, employees are satisfied with the compensation packages is essential to retain qualifies employee of the company. However, they are not satisfied with the salary scale of the company. Since the Mean (M) values of the above variables ranges from a highest mean value to a lowest mean values of ($M=3.54$ and 1.41) respectively there is a relationship among the variables and compensation and reward. An increase in one variable (independent variable) will increase weakly or strongly the employee compensation (dependent variable) depending the mean values of the independent variable. For instance, in the above table, if there is an decrease mean value ($M=1.41$) available, there is an increase employee turnover intention. Therefore, these human resource practices have highly effect for employee turnover intention for the organization.

4.4. The Hosmer and Lemeshow Goodness of Fit Test

Hosmer and Lemeshow goodness-of-fit statistic measures the correspondence between the actual and predicted values of the dependent variable. Hosmer and Lemeshow Pearson chi-square statistic is used to test the overall model of goodness-of-fit test of the null hypothesis that the model adequately fit the data.

Table 4.7: *Hosmer and Lemeshow Goodness of Fit Test (correlates of turnover intention among employees)*

Hosmer and Lemeshow Test		
Chi-square	d.f	Sig.
1.619	8	0.991

Source: Researcher's Survey $\alpha = 5\%$ Level of significance

The result presented in Table 4.7 shows that the HosmerLemeshow goodness-of-fit test statistic is not significant ($\alpha = 0.05 < p\text{-value (Sig)} = 0.991$). Thus, we do not have an evidence to reject the null hypothesis, suggesting that the model fitted the data well, In other words, the null hypothesis of a good model fit to data was acceptable.

After the assessment of the overall model evaluation and goodness of fit test, statistical tests of individual predictors were conducted to identify the associated factors of turnover intention among employees. The statistical significance of individual regression coefficients was (β 's) tested using the Wald chi-square statistic which is displayed predictors were selected using stepwise regression (Likelihood ratio) method.

4.5. The result of Regression Analysis

Table 4.8: Effect of Work Condition on Employee Turnover Intention

	B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I.for EXP(B)	
							Lower	Upper
Constat			9.615	4	0.047			
WorkA	1.894	0.921	4.232	1	0.040	0.150	0.025	0.914
workB(1)	-2.102	.921	5.215	1	0.022	0.122	.020	.742
workC(1)	-.631	.921	10.695	1	0.004	0.532	.121	2.345
workD(1)	.221	.922	5.093	1	0.031	1.247	.301	5.171

Source: Researcher's Survey

The following discussions are based on Table 4.8. To make interpretation of odds ratios easily understandable, $\text{Exp}(\hat{\beta}_j)$ is inverted. One remark here is that the odds ratios pertaining to a given categorical variable are obtained while other variables are in the model, hence the odds ratio is the adjusted odds ratio obtained while the effect of other variables in the model are eliminated.

The table shows that those employee disagree with organizations working condition were 0.150 times less likely to have turnover intention than those who are strongly disagree on their organizations working condition [(Exp(B) =0.150 p=0.040 <0.05 CI: (0.025,0.914)] and also those employees strongly agree with little control by the direct manager in the daily work were 1.247 times more likely to have turnover intention

Table 4.9: Effects of Training and Development on Employee Turnover Intention

	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
							Lower	Upper
traninigA	-.207	.123	4.822	1	.033	.813	.639	1.035
traningB	.278	.156	4.176	1	.045	1.320	.973	1.791
traningC	-.183	.139	7.735	1	.008	.833	.634	1.093
traningD	-.072	.135	.283	1	.594	.931	.714	1.212
Constant	.967	.474	4.160	1	.041	2.630		

Source: Researcher’s Survey

From the regression output table Training and development shows that employee those who are agree (satisfied) with their job training were 0.813 times less likely to experience turnover intention than those who are strongly dissatisfied with their job training [(Exp(B) =0.813 p= 0.033 <0.05 CI: (0.639, 1.035)].

On the other hand employee who are agree with there is no good internal facility for training in the organization were 1.320 more likely to have turnover intention than those who are strongly disagree.

Table 4.10 : Effects of Compensation and Reward on Employee Turnover

	B	SE	Wald	Df	Sig.	Exp(B)	95%CI	
							Lower	Upper
Constant								
RewardA	2.123	.314	6.422	1	.042	4.203	.663	2.269
RewardB	-.034	.276	.015	1	.003	.967	.563	1.661
RewardC	-.420	.326	1.661	1	.007	.657	.347	1.245
RewardD	.344	.299	1.329	1	.049	1.411	.786	2.534

Source: Researcher’s Survey

Table 4.10 shows that the effect of compensation & reward on employee turnover intention was significant in the model ($B = 2.123$, $\text{Exp}(B) = 4.203$). The odds ratio indicates that a unit increase in compensation package to keep qualified employees will lead 4.203 times more likelihood to have employee's turnover with their organizations.

4.6. The extent of employee turnover intention in Akaki kality

Table 4.11: The extent of employee turnover intention

Classification Table					
Observed			Predicted		
			Do you plan to leave your job within the next few years?		Percentage Correct
			No	Yes	
	Do you plan to leave your job within the next few years?	No	51	20	71.8
		Yes	15	103	87.3
Overall Percentage					81.5

Source: Researcher's Survey a. The cutoff value is 0.05

The degree to which predicted probabilities agree with actual outcomes is expressed as either a measure of association or a classification table. In this study, classification table was employed documenting the validity of predicted probabilities and the results are presented in Table 4.11. The prediction for employee who had intention to leave his/her job was more accurate than for those who had no intention to leave their jobs. This observation is supported by the magnitude of sensitivity (87.3%) as compared to that of specificity (71.8%). Sensitivity measures the proportion of correctly classified events (i.e., those employees who plan to leave their job within the next few years); whereas specificity measures the proportion of correctly classified non-events (those employees who had not planned to leave their job within the next few years). The overall correct prediction was 81.5%.

4.7. Hypotheses Test

Testing the hypothesis formulated based on the above statistics of employee turnover intention using the above, regression table it can be generalized as follow:

According to Kinnear and Gray (2002), for a predictor variable to be considered significant to a model, it must have a combined odds ratio value of more than 1 and a significance value of less than 0.05. Based on this, the predictors (HRM practices) that could significantly predict employee turnover intention were work condition, training development and compensation reward are significant for employee turnover intention because their p-values are less than 0.05 however recruitment & selection are insignificant since p-values are more than 0.05.

4.8. Effect of Compensation and Reward on Employee Turnover Intention

Since the p-value is less than 0.05 the null hypothesis is rejected and conclude that there is significant relationship between compensation and reward with employee turnover intention is accepted (H1). From Table 4.15 the effect of compensation & reward on employee turnover intention was significant in the model ($B = 2.123$, $\text{Exp}(B) = 4.203$, $\text{sig}(p\text{-value}) = 0.042$). The odds ratio of means that a unit increase in compensation will lead 4.203 times more likelihood of employee's turnover with their organizations. The null hypothesis that compensation and reward does not have a significant effect on employee turnover intention is rejected.

Another reason why compensation influences retention is that employees who receive good compensation may feel that they are appreciated by the organizations for their performance and contributions (Lai, 2011). They may then be motivated to contribute more and also stay with the organization. Thus employees place a lot of value on compensation and it is therefore not surprising that compensation has a positive significant relation on employee turnover intention.

4.9. Effect of Work Condition on Employee Turnover Intention

H1: There is a significant relationship between work conditions with employee turnover intention.

Work condition was another HRM practice that significantly influenced employee turnover intention ($\text{Exp}(B) = 0.567$, $P = 0.032$). Hypothesis H0 is therefore rejected. The negative coefficient and odds ratio however shows that there is an inverse relationship between work condition and employee turnover intention.

Improving working environment and conditions may be considered as one of better mechanisms how to increase employee's stability. On the other hand the researcher might expect that, lack of cafeteria around the office, poor office layout and issue related to rest rooms is also considered as a drawback that better if it get solution.

4.10. The Effect of Training and Development on Employee Turnover Intention

H1: There is a significant relationship between training and development with employee turnover intention.

Based on the above table effect of training and development on employee turnover intention was also significant ($B = -2.911$, $\text{Exp}(B) = 0.054$, $P = 0.016 < 0.05$). Thus the null hypothesis is rejected because the p value is less than 0.05. So training and development has a significant effect on employee turnover intention in the selected werdas.

4.11. The Effect of Recruitment and Selection on Employee Turnover Intention

H0: There is not significant relationship between recruitment and selection with employee turnover intention. It was hypothesized that selection and recruitment does not moderate the effect of the HRM practices on employee turnover intention. Results of the interaction model did not establish any significant contribution of to the model as the products of employee turnover intention and recruitment and selection. The combined effects of recruitment and selection on employee turnover intention were thus insignificant. This means the effects of the HRM practices on employee turnover intention did not depend on how select the employees.

The result presented in Table bellows that recruitment and selection is not significant. Thus, we do not have an evidence to reject the null hypothesis, But the other all hypothesis where statistically significant because we have evidence to reject the null hypothesis and accept the alternative hypothesis (H1) that there is a relationship between the dependent (turnover intention) and independent variables.

Table 4.12: Summary of Hypotheses Test

Hypothesis	Results	Effect of Test
There is a significant relationship between training and development with employee turnover intention	B=2.013 P=0,006 Exp=7.484	The null hypothesis was rejected
There is not significant relationship between recruitment and selection with employee turnover intention	B=-1.869 P=0.089 Exp=0.0154	The null hypothesis could not be rejected
There is a significant relationship between work conditions with employee turnover intention.	B=1.874 P=0.027 Exp=6.516	The null hypothesis was rejected
There is significant relationship between compensation and reward with employee turnover intention accepted	B=2.123 P=0.042 Exp=8.358	The null hypothesis was rejected

Source: Researcher's Survey

CHAPTER FIVE

This chapter provides a summary of the purpose, methodology, and results of the study. Then, conclusions will be discussed based on researcher's insights gained regarding study findings and limitations. In addition, recommendations are presented for the woredas under the study and for other professionals interested in pursuing additional research to exceed the scope and findings of this study.

5.1. CONCLUSION

The main purpose of this study is to investigate the impact of HRM practices on employee turnover intention in Akaki kality selected woredas. The research study was focusing mainly on whether the HRM practices have direct effect on the employee turnover intention in the woredas.

There are four independent variable elements being used in this research which are recruitment and selection, compensation and reward, working condition, and training and development. There were either positive or negative relationship between independent variables and dependent variable (turnover intention) based on the literature that reviewer from the result obtained from SPSS; there was high turnover intention in the woredas. The result showed that there are up to 81.2% percent of the respondent had the intention to leave. It is consider as a high turnover rate. According to Anderson (2013), 20 percent is considered as high turnover in a particular organization. Moreover, high turnover may be very costly to an organization. Besides that, the result also showed that the independent variables which training and development, working condition and compensation and reward is the main reason which caused employees to have the intention to leave. While for recruitment and selection, it is not a concern for employees to have turnover intention. Therefore, recruitment and selection is less important compared to others independent variables.

5.2. RECOMMENDATIONS

- ❖ Employees are the main assets of the organization and play an important role. Therefore, organizations need to cope up with needs of the employee so as to motivate them by designing effective human resource practice.
- ❖ From the result showed that the independent variables which are training and development, working condition and compensation and reward are the main reason which caused employees to have the intention to leave therefore the sub city should consider those variables to reduce turnover intention.
- ❖ Supporting the organization in achieving its objectives by HRM experts, this increase the productivity of the employees.
- ❖ In the future research, there still have space for further studies and improvement in others related fields in which study can include more variable and methodology to test the employee turnover intention.

5.3. LIMITATIONS OF THE STUDY

I need to gather information needed, supporting document and conduct survey for this research study. However, there are little research carry out for education industry so the journals and article founded for this research study are limited. Besides that, some respondents were not willing to participate in the survey because our survey questions are quite sensitive to them

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APPENDIX

Section A

Addis Ababa University School of Commerce

The project title:

The Effect of Human Resource Management Practices on Employees Turnover Intention

To be filled by Employees of AkakiKality Sub city of selectedworeds

Dear respected participant,

This questionnaire is designed to collect information about the effect of human resource management practices on employees turnover intention the information shall be used as a primary data in the case of research which will be conducted for the partial requirement of completing a Master of Arts Degree in Human Resource Management (MA HRM) at the Addis Ababa University, School of Commerce.

Please read each question carefully and tick (\surd) the number/ box (\square) corresponding to the response that most accurately represents your view.

Thank you in advance for your participation in this study.

Caution: SD= strongly disagree. D= Disagree. N= Neutral. A= Agree. SA= Strongly agree.

Section A :Personal Data

1. Gender : Male Female
2. Age Range: 20-29 30-39 40-49 above 50
3. Qualification : Diploma First Degree Second Degree Above

4. Experience (in years): 1 – 3 4– 6 above years6

5. Monthly income (gross birr): Below 1200 1201-3800 3801-5400 above 5400

6. Marital states: single married divorced

Section B: The Influence of Selected Human resource practice

HR PRACTICE	NO	Statements	SD	D	N	A	SA
Work condition	1	Is the organization improvement of the working conditions?					
	2	I am satisfied with the amount of time I spend work.					
	3	My organization have experienced and educated employees					
	4	Little control by the direct manager in the daily work of the subordinate.					
Training and Development	5	Are you satisfied with your job training					
	6	Do you think there no good internal facility for training in the organization?					
	7	Does organization provide regular opportunities for personal and careerdevelopment					
	8	Employee are properly oriented and trained upon joining the organization					

Recruitment and Selection	9	Do you think that employee selection process in organization are good					
	10	are you happy with the procedure of internal and external recruitment					
	11	Is that Realistic job preview during the process of recruitment and selection in your organization					
	12	Informing about the vacant jobs, suitable for the subordinate					
Compensation and Reward	13	Do you agree compensation package is essential to retain qualified employee					
	14	Is the current salary structure improving service delivery?					
	15	People who are hard working are rewarded in the organization					
	16	The salary and benefits I receive in this organization is commensurate with my responsibilities					

Section c: Employee Turnover Intention

1. Do you plan to leave your job within the next few years

Yes No

Thank you very much for your time!

Description of Variables code in the Regression analysis

	B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
workA®			10.482	4	.033*			
workA(D)	1.894	0.921	4.232	1	0.040	0.150	0.025	0.914
workA(2)	1.078	.854	8.594	1	.007	2.939	.551	15.661
workA(3)	.704	.834	7.711	1	.039	2.021	.394	10.366
workA(4)	3.918	1.518	6.665	1	.010	50.291	2.569	984.603
workB®		7.134		4	.029			
workB(1)	-.749	.722	1.077	1	.009	.473	.115	1.947
workB(N)	-2.102	.921	5.215	1	0.022	0.122	.020	.742
workB(3)	-.428	.868	7.143	1	.025	.652	.119	3.574
workB(4)	1.982	1.062	3.483	1	.062	7.254	.905	58.126
workC®			10.975	4	.277			
workC(1)	-.631	.757	.695	1	.004	.532	.121	2.345
workC(2)	1.823	.917	3.951	1	.047	6.190	1.026	37.357
workC(A)	-.631	.921	10.695	1	0.004	0.532	.121	2.345
workC(4)	-1.957	1.216	2.590	1	.108	.141	.013	1.532

workD[®]			2.450	4	.654			
workD(1)	.221	.726	4.093	1	.061	1.247	.301	5.17 1
workD(2)	-.753	1.044	4.520	1	.071	.471	.061	3.64 2
workD(3)	-.447	.886	7.255	1	.014	.640	.113	3.63 0
workD(SA)	.221	.922	5.093	1	0.031	1.247	.301	5.17 1

	B	SE	Wald	DF	SIG.	Exp(B)	95%CI	
							Lower	Upper
traninigA[®]			9.020	4	.041			
traninigA(1)	.419	.608	4.474	1	.491	1.520	.462	5.006
traninigA(2)	.457	1.013	3.203	1	.050	1.579	.217	11.511
traninigA(A)	-.207	.123	4.822	1	.033	0.813	.639	1.035
traninigA(4)	-2.911	1.206	5.825	1	.016*	.054	.005	.579
traninigB[®]			8.200	4	.045			
traninigB(1)	1.220	.706	2.983	1	.084	3.386	.848	13.510
traninigB(2)	2.263	.940	5.791	1	.016*	9.608	1.522	60.662
TraningB(A)	.278	.156	4.176	1	.045	1.320	.973	1.791
traninigB(4)	4.269	2.579	2.739	1	.098	71.431	.455	11205.097
traninigC[®]			5.288	4	.059			
traninigC	-.183	.139	7.735	1	.008	.833	.634	1.093
traninigC(2)	-1.568	1.069	2.152	1	.142	.208	.026	1.694
traninigC(3)	-.890	.829	8.152	1	.043	.411	.081	2.086

traningC(4)	- .956	1.300	6.541	1	.052	.384	.030	4.910
traningD[®]			3.545	4	.471			
traningD(1)	-1.283	.748	2.947	1	.086	.277	.064	1.199
TraningD	-.072	.135	.283	1	.594	.931	.714	1.212
traningD(3)	-.387	.839	7.212	1	.045	.679	.131	3.518
traningD(4)	.074	1.259	6.003	1	.053	1.077	.091	12.702