



**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE**

**THE EFFECT OF SELECTED HUMAN RESOURCE MANAGEMENT
PRACTICES ON EMPLOYEES' TURNOVER INTENTION: THE CASE
OF AFRICA INSURANCE COMPANY IN ADDIS ABABA**

**A Thesis Submitted to Addis Ababa University School of Commerce
Graduate Studies Program in Partial Fulfillment of the Requirements for
the Award of Master of Arts Degree in Human Resource Management**

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DECLARATION

I, Selamawit Bahiru, declare that the project entitled “**The effect of selected human resource management practices on employees’ turnover intention: the case of Africa Insurance Company (AIC) in Addis Ababa.**”, 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.

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This research project has been submitted for examination with my appropriate approval as university advisor.

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ACRONYMS

AIC	Africa Insurance Company
HR	Human Resource
HRM	Human Resources Management
SPSS	Software Package for Social Science

ABSTRACT

The purpose of this study was to examine the effects of selected human resource management practices on employee turnover intention in Africa Insurance Company S.C. Specifically; it looked at how Compensation and reward, Training & Career Development, Employee relation and Performance appraisal affect turnover intention. The study was carried out in the Head Office and Branches in Addis Ababa. Clerical and Managerial staff were included in the sample. Multistage sampling was used to select a sample size of 151 employees from the Head Office and Branches in Addis Ababa. Both descriptive and inferential statistical techniques were used to analyze the data. A multiple regression analysis was conducted to test how well the selected human resource management practices could predict turnover intention. The findings highlight the fact that the selected human resource management practices; Compensation and reward, Training & Career Development, Employee relation and Performance appraisal have been found significant factors affecting employee's turnover intention. It was found that employee relations in the work place and compensation and rewards packages were predominant factors. to reduce turnover intention of employees', it is recommended that, the company needs to maintain and further improve its existing employee's relationship and training programs. The company management is also recommended to revise is outdated HRM procedure.

Key words: Human resource management practices, Turnover Intention, Compensation and reward, Training & Career Development, Employee relation and Performance appraisal

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Organizations are seeking growth and successful progress because of highly competitive nature of the organization. There is an increasing recognition that increases in global trade, facilitated by advancement in technology, communication and transportation began to bring the markets of the world into greater competition (Samuel 2009). Economic globalization has therefore become more pronounced and the ability of organization to compete in global marketplace is increasingly tied to the quality of their human resources to gain competitive advantage (Shahzad K 2008). An organization's performance and productivity could not be realized without employees support and contribution. Employees are partly responsible for the achievement of organization's goal and strategy.

A proper administration of HRM practices is crucial in retaining employees in organizations especially in small and medium enterprises. HR professionals and line managers have to work closely to ensure all key practices such as managing performance, administration of compensation policy, training, and employee relations are executed in an effective manner

Employees are an important resource in an organization as they positively contribute to the execution of organizational objectives and mission. The retention of such employees has been shown to be significant to the development and the accomplishment of the organization's goals and objectives especially in building competitive advantage over other organizations in the phase of increased globalization (Armstrong, 2011). However Employee's turnover is becoming one of the factors which affects the organization's productivity and which is considered to be one of the challenging issues in business nowadays.

Employee turnover is potentially costly and may have negative implications whether it is voluntarily, such as resignations or involuntarily, such as termination initiated by the employer. The possible negative impact of turnover to organizations might be due to high

cost of recruiting, training, and getting new employees, productivity loss during replacement search and retaining, loss of high performers or high-skilled workers, and disruption of social and communication structures (Mobley, 1982). Despite the measures taken by the organizations to retain their talents, turnover is a persistent issue in if not all, perhaps in most organizations.

Turnover is closely related to turnover intention, as the actual turnover behavior depends on the individual's intention to leave the company. It is defined as a cognitive process by which one considers resigning from work. In other words, it is an employee's unexpressed plan to quit work within a certain time period (Lochhead, 2004).

Bulk of researches has indicated that turnover intention is due to combination of several factors. These numerous factors can be termed as push and pull factors or internal and external factors. In addition employees may think to leave a certain organization for either for money, for better working environment, looking for career advancement, looking for recognition, better supervisor, and better challenging work or for any that an individual can name (Mohammad, 2015). Moreover in addition to other factors Human Resource Management (HRM) practices have immense impact on turnover intention in different contexts. Among the different HRM practices that leads clerical employees to think of leaving an organization include performance appraisal, compensation, training and career development and job design (Price, 2001). Furthermore, past researches have shown inconsistencies with respect to the determinants of turnover intention.

Nowadays employee's turnover is a serious and costly problem in business organizations; however, top level managers rarely see it as such a problem of the organization to prevent it. This is because many upper managers believe that departing employees are going to a better place and they can easily be substituted by other workers. (Samuel, 2009). Like most business organization in Ethiopia, Africa Insurance Company (AIC) is also challenged by high employee turnover that resulted in recruiting new employees to replace the experienced one. This shows the company's failure to retain employees those able to boost the profitability of the organization. Therefore the study will aim at identifying the major HRM

practices that affect employees' turnover inattention in AIC. The phenomenon will attract interest due to its psychological dimension, its organizational significance, and its economic dimension. Thus it is imperative for HRM managers to understand that there are several factors inherent to counter staff intentions on turnover.

1.2. Back ground of the organization

Africa Insurance Company was established in December 1994 in accordance with the provision for the Licensing and Supervision of Insurance Business proclamation No. 86/1994 and the Commercial Code of Ethiopia. The Company was set up with a subscribed capital of Birr 30 million and paid up capital of 15 million. As at 30th June 2017, it has registered a paid up capital of Birr 173 million. The company is governed by a seven-member Board of Director appointed by the General assembly of the shareholders, the former being responsible for the general policies and direction of the company. The board is further assisted by established board subcommittee who is responsible to deliberate up on and thoroughly consider relevant policies and corporate performance.

The Shareholders of AIC consist of financially secure individuals and successful private business organizations led by professionals who are among the most competent and experienced managers in the country. The Company has carefully worked out plans to broaden its shareholder base to include more leading business organizations and personalities. In addition to its shareholder base at home, AIC is solidly backed by reputable and internationally recognized reinsurance companies and reinsurance brokers such as Africa Re, Hannover Re, PTA Re and Swize Re.

Although AIC seems young Company, its personnel is eminently qualified through training and experience acquired both locally and abroad. Africa Insurance Company (AIC) engages itself in all classes of general and life insurance. Its business dealings are tailored to meet the needs of its customer base. The Company transacts all types of insurance policies: Motor, Fire, Marine, Hull and Cargo, Workmen's Compensation, Personal & Group Accident, Money, Fidelity Guarantee, Burglary and House Breaking, Plate Glass, Liability, Domestic

Package, Engineering, Computer All Risks, Bonds and Others. In August 1998 the Company expanded its services to include Life Assurance in its coverage.

As at June 30, 2017, AIC had a total of 316 staffs and 30 branches. 17 in Addis Ababa and 13 outside Addis Ababa. The demographic data of the company is as shown in Appendix I. the company has a clearly outlined Human resource policies with formal rules and guidelines to hire, train, assess, and reward the members of its workforce.

1.3. Statements of the problem

The impact of human resource mismanagement can have a profound negative effect on the organizations and one of the basic criteria for measuring the effectiveness of the HRM function in the organization is the personnel turnover (i.e. its voluntary leaving) As turnover is a symptom of a larger systemic problem companies' ought to understand what causes people to commit themselves to leave the company and reflects one's attitude towards the organization Further Employee turnover intention is only a few steps back from the actual turnover. Overcoming employee turnover intention will ultimately result in overcoming the actual turnover. Therefore a company should be smart in understanding and controlling their employee's turnover intention.

However many researches were made on this topic, there is inconsistent of findings on the determinants of employee turnover intention. Various researches come up with different findings. Actual employee turnover represents an outflow of skills and may consequently seriously hinder competitiveness, efficiency and quality delivery, following concepts as the determinants of employee turnover, such as salary and fringe benefits, working hours, workload, work pressure, training and development, leadership, career plans and family factors (Cho & Guchait, 2009) noted that internal recruitment and poor training of those employees leads to high turnover intention.

(Becker & Gerhart, 1996) argue that the economic returns of extensive training are more likely to be captured by the firm if employees are motivated to stay and contribute to the firm's success fostered in part by selective hiring, competitive pay packages and team-

orientated work environment. Other studies posit that retention practices such as job enrichment, workspace characteristics and socialization can reduce turnover intention and its effects (Boon, 2013).

Further (Deery, 2007) suggested if the organization focus on improving the quality and organizational strategies like enhanced recruitment strategies, training, appropriate education and job fit and work life balance of employees then it will increase the productivity of the organization and the rate of employee turnover intention. True employee retention takes time, effort, and resources, but the rewards can prove valuable.

A research by (Sudin *et al*, 2011) in Malaysia to examine the HRM factors that impact employee turnover intention concluded that HRM practices which is including performance appraisal, reward, working condition, equal employment opportunity and training has impact on turnover intention of employee .

On his study on Nib insurance company,(Amare, 2015) concluded that the major causes for employee turnover were poor performance management system, staff training and development, opportunity for advancement, salary structure and benefit package of the company, leadership style. (Yohannes, 2014) indicated that dissatisfaction with pay structure, mismanagement, unfair reward, and promotion systems were some of the factors for employee turnover. The finding also indicated the following effects of turnover including loss of experienced and skilled employees, higher recruitment costs, and higher workload due to leavers.

In explaining the situation, at an informal speech, one of AICs management said that “majority of employees leave the company in search of better pay and they join other banks and insurance companies in similar position.” Contrary to this, some employees complain that the lack of visible career path, inadequate attention rewarding system, and performance management systems that are highly bureaucratic to implement are some of the practices that negatively contribute to employee satisfaction which in turn adversely affects the intention to stay in the company.

Turnover rate (TOR) is calculated as below per to (Amstrong, 2015) after getting the organization's staff data information in the consecutive years.

$$\text{TOR} = \frac{\text{Number of employees leaving} \times 100}{\text{Total number of employees}}$$

In general, scholars like Derik T., et al (2013), advocate that for some organization's turnover rates in excess of 10% are likely to cause damage to an organization. According to the data from Human Resources department (Table 1) of AIC, despite the continuous rise of total employees in the company over the last four years, the total number of employees who have left the company has also increased continuously to reach 21.8% in 2017/18 which is significantly higher than normal standards. The need to identify the major causes of the existing turnover rate and employees attitude towards existing HR practices of the company needs and suggest an acceptable recommendation needs to be addressed.

Africa Insurance Company

Table 1. Number of staff from 2014 -2018 and No of released staffs

s.no	Year	Total No of Employees	Released employees	Turnover rate (%)
1	2014/15	252	39	15.5
2	2015/16	274	48	17.5
3	2016/17	301	57	19
4	2017/18	316	69	21.8

Source: Human resource Department: AIC 2017/18

The total no of employee who have left the company over the past 5 years have steadily increased. The reason for the continuous leaving of employees from the company requires a study. This study, is therefore, aimed at investigating the effect of the selected human resource management practices specifically (Performance appraisal, training & career development, compensation practices and employee relations) on employee turnover intention at AIC.

1.4. Research Questions

Based on the above mentioned problem, the below research questions were raised to be addressed:

- 1) What is the employees' attitude towards selected HRM practices of the organization?
- 2) Is there any relationship between HRM and turnover intention in AIC?
- 3) To what extent are employees intending to quit due to selected HRM practices?
- 4) Which HRM practices significantly affect employee's intention to leave?

1.5. Objective of the Study

1.5.1. General Objective

The general objective of the study is to examine the effect of Human resource practices on employees' turnover intention in AIC Addis Ababa.

1.5.2. Specific Objective

The specific objectives of the study are indicated below.

- To investigate whether or not the selected HRM practices influence employees turnover intention in AIC.
- To assess the extent of HRM practices of AIC related to employee turnover intention.
- To examine which HRM practice highly influences employees turnover intention

1.6. Significance of the Study

After analyzing employee's turnover intention in relation to the specific HR practice, based on the findings, recommendation and conclusion, this paper will give the organization awareness about the link between employees' turnover intention and its HR practice, which intern will help to take action to minimize the negative consequences of employees' turnover.

The findings of this investigation can be useful in refining human resource practices and hopefully decreasing the incidence of job-related employee turnover in the company. The

results of this study will have greater input to the human resource practitioners that will design and administer their HR function. Furthermore, it helps as a source document and as a stepping stone for those researchers who want to make further study on related areas

1.7. Scope of the study

The study is bounded only on voluntary turnover intention of clerical employees in an organization called AIC. This is because, most of the time, clerical employee relatively hard to replace. The study is also bounded to the Head Office and selected Branches in Addis Ababa due to geographic proximity and logistic simplicity although there are numerous HRM activities, this research could not cover the exhaustive list of HRM functions due to constraints such as time. Besides not all HRM functions can be initiated as practices (e.g. human resource planning. The research is thus focuses on performance appraisal, reward and compensation, training and career development, employee relations. The chosen HRM practices are a mix of both fundamental and contemporary HRM practices which are vital to today's organization.

1.8. Limitation of the Study

The research is limited to the effect of HRM practice and employees' turnover in a single organization called AIC. Thus, the generalizability of the findings will be difficult as there would be a variety of HRM practices in different organizations that has impact on employee turnover.

Data was also collected from individual employees and the main findings was only based on these employees perception against their intention to leave rather than actually measuring the current HRM practice and its impact on the lots of employees in the organization. As a result, the generalizability of the findings in to other similar organization would also be an issue.

Finally, this study mainly employed quantitative methods and may thus suffer from the shortcomings of such a method. Possibly a combination of both quantitative and qualitative methods could provide greater insights and provide different outcomes

1.9. Definition of Terms

Turnover is defined as the termination of an employee's membership in an organization (Yeung and Berman, 1997). Labour turnover can be classified into two main types, namely; voluntary and involuntary turnover. Involuntary turnover refers to a situation where an employee's appointment is terminated against his/her will, while voluntary turnover is when an employee willingly terminates his/her employment

Turnover Intention is defined as a purpose of intended departure of an individual from an organization (Storey, 2001)). The intention to leave the organization is the last part in a classification of withdrawal awareness, and an arbitrator between assessments that are associated to the decision to leave and the actual turnover in process models of turnover.

Human resources management (HRM) is a distinctive approach to employment management which aims at gaining competitive advantage through employing highly committed and skilled workforce by using a series of the techniques (Storey, 2001). Besides, human resources management also refers to a strategic approach that includes all the management decisions and actions that influence the organization and employees relationship (Fajana, Owoyemi, Elegbede, & Sheriff, 2011).

1.10. Ethical Consideration

Ethical conduct can be described as morale values, confidentiality, and anonymity of an individual, group, or an organization. Confidentiality and anonymity usually refers to the assurance that researcher give to the participants that their identity and involvement in a research will be kept confidential (Terra, 2014). Similarly practicing full disclosure with research participants is an essential part of the research process.

In this research the participants were notified of the confidentiality of their responses and anonymity of their identity; also they were informed about the nature of this research and why it is carried out, moreover they will be made aware that what is required from them as a participant.

1.11. Organization of the study

The paper is organized in to five chapters. The first chapter or introduction part presents the background issue, statement of the problem, objectives, significance, and limitations of the study. The second chapter comes up with literature review. The literature review will covers both empirical and theoretical documents relating to employee turnover intention and specific HR practices in the insurance business. The third chapter discusses research methods employed and it embraces study area, research approach and design, population and sampling techniques, data source and type, method of analysis and ethical consideration undertaken during the course of the study. Interpretation and discussion of data is presented in chapter four. Finally, chapter five reveals Summery of findings Conclusion and Recommendations. Both references and appendixes are treated under separate sections.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter reviews concepts that various authors and scholars have put forward in relation to employees turnover intention. This review is intended to help the researcher to understand more the subject matter and will also help the readers to familiarize themselves with employee turnover. The specific areas covered here are concepts of employee turnover intention, human resource management practices and the effect of selected human resource management on employee turnover intention.

2.2. Concepts of Human Resource Management Practices

Human resource management refers to the practices and policies needed to carry out the people aspects of management job by helping people and organization reach their goals (Abraham, 2006). An organization's performance and productivity could not be realized without employees support and contribution. Employees are partly responsible for the achievement of organization's goal and strategy. Traditionally, human resource practices play crucial role in influencing employee attitudes and behavior. (Huselid, 1995) argued that high performance work practices (such as promotion, labor-management participation teams) that contribute to employee development should enhance employee retention and found these practices had a negative relationship with employee turnover. Becker and Gerhart, (1996) stated that human resource systems are path dependent, can be a unique source of competitive advantage and added that it is difficult to imitate human resource management practices and policies.

Four dimensions are identified for measuring human resource management practices from past studies (e.g., Pfeffer, 1995). They are categorized as functional dimensions which include recruitment and selection, training and development, performance appraisal, and compensation. They are considered to have a great impact on obtaining, motivating, and

retaining employees, and they are responsible for improving continual competitive advantage (Pfeffer, 1995).

A review of the literatures reveals that Human resource management practices are therefore a set of interconnected practices that create an environment that can produce high commitment among employees and encourages them to perform their best, which eventually leads to higher organizational performance. Although different researchers have studied different sets of human resource management practices, most of them agree that certain practices are important in generating high organizational performance and employee intention to stay. Managing human resource is one of the main functions that organizations undertake. HRM is a series of integrated decisions that form employment relationship; it involves developing employees to maximize their potential in a manner that furthers the objectives of both the individual and the organization can met. Narang (2013) defines HRM as the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational, and social objectives are accomplished. To Price, J. L.(2001) From the perspective of Strategic human resource management HRM is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programs and practices.

2.3. Employee Turnover and Turnover intention

There is different between turnover and turnover intention. Turnover is the actual action that employees had left the company and moved to other company for new employment relationships. Employee turnover could refer to a situation whereby employees exit the organization voluntarily for various reasons and thereby affecting the organization negatively in terms of costs and the capacity to deliver the minimum required services On the other hand, turnover intention is behavioral that employee is contemplating of leaving and terminating current employment relationship, but has not decided to actually leave the current job (Price, 2001)

Turnover intention can also conceptually be defined as a conscious willingness to leave the organization, which includes a thought or idea of leaving, the behavior of searching for a new job, and the behavior of deciding to leave the job. At the same time, Chen, (2004) stated main difference between employee turnover and turnover intention is the actual decision of leaving current job.

Employees' turnover intention is one of the problem have to pay attention by the human resources department (Samuel, M. 2009). Turnover intention is the behavior of employees' intent to leave the current job. Mobley (1979), stated turnover is the termination of a membership between an individual with company who was employed by the company. (Price, 2001), mention that turnover intention is the form of withdrawal of individual from an organization. Turnover intention also can be defined as conscious and willfulness to search for other opportunities of employments (Lashley, 2002). According to (Kuvaas, 2006) there have three signals show that the employees turnover intention. The signal is whether employee thinks of quit, searches for other employment opportunities and forms an intention to leave. (Lochhead & Stephens, 2004) also comment that intention to leave is employee have the thinking to leave or staying in the current employer organization.

Turnover means the employees movement within an organization. Turnover also refer to quit, attrition, exists, mobility, migration or succession. There are 3 characteristics: voluntariness, avoidability and functionality. Voluntary turnover is referring to those employees who move from the organization voluntary, for example, resignation. Involuntary turnover is referring to those employees who are not initiated to move, for example, dismissal, retrenchment, and death. Avoidability turnover is referring to prevent the voluntary employees from leaving the organization (Liu, 2012).

Turnover intention is an inclination among employees to quit their organization. Intention to withdraw has been found to be a predictor of actual turnover among employees (Narang ,2013) As defined by the scholars, turnover intention is an individual's probability estimated by themselves that they are going to leave the organization permanently in near future (Haines, V., Jalette, P., & Larose, K. (2010). In reality, turnover intention is the direct

predictor of turnover behavior and shows a combination of attitudes related to withdrawal (Gul, Akbar, & Jan 2012).

According to (Robbins, 2005) our affective reactions to the job can lead to intention that governs behavior. As per the review conducted by (Shahzad, Bashir,&Ramay, 2008), there is a direct association between the supply and the demand mechanism put in place for workforce in any vocational system and the consideration of factors other than economic in movement of job. Another study by (Mobley et al. 1978) suggested that decline in job satisfaction leads to an intention to stay or to quit. Furthermore, a variety of studies established a strong inverse relationship between job satisfaction and turnover intentions (Abraham, 2006). With an increase in level of satisfaction, turnover intentions drop significantly (Aguenza, 2012).

2.3. Effect of Employee Turnover Intention

2.3.1 Effect of Employee Turnover Intention on Organization

(Costen and Salazar, 2011) discovered the major aim of retention is to stop the loss of skilled employees from leaving the company as this could have negative impact on profitability and outcomes, retention additionally refers to the employees' eagerness to remain in a specific company and the capacity of this company to maintain its staff in service Employees Turnover and turnover intentions can have significant impact on the day to day activities of an organization. These impacts can be both positive and negative in nature and can affect organizational and personal objectives of stakeholders involved. When an employee leaves an organization, other employees need cover up by doing more tasks and carrying out other responsibilities and duties left behind. In the long run, this may lead employees to reduce their commitment and thus, increase their turnover intention in the organization as well (Boon, 2013). Moreover, the costs of employees' turnover are hard to measure, taking into consideration the effect on organization's culture, employee morale, and social capital involved.

If organizations can measure their staff's turnover intention, they can determine the likelihood of their staffs leaving their organization. This helps them determine where they can find opportunities to reduce their overall turnover. To reduce turnover intention, organizations can offer strategic compensation packages, especially emphasizing performance and tenure. Also, employee-centric businesses tend to have fewer turnovers because the staff feels like it has a voice and the company values its contributions (Chompookum,2004).Accordingly organizations try to study their employee's turnover intention to better equip them and minimize employee turnover.

When a business loses employees, it loses skills, experience, and "corporate memory". The magnitude and nature of these losses is a critical management issue, affecting productivity, profitability, and product and service quality.

2.3.2. Effect of Employee Turnover on Employee

According to (Churchil & Lacobucci, 2002), turnover intention will be determined by employee's self-image, job and other roles, as well as the predictability of future relationships inside the organization.

Turnover and turnover intention can have advantages and disadvantages for the employees who practiced it (Derik et.al 2013). (Mobley, 1982), have suggested that some possible negatives and positives consequences of employees' turnover. The negatives consequences of turnover can include destruction of current social networks which are created and maintained over time, failure to adapt to new organization culture and the looming possibility of losing secured job and pay day. While the positives consequences is included career advancement, higher salaries, better perform opportunities and etc.

2.4. Factors Influencing Employee Turnover Intention

Studies have shown that turnover is one of the most researched phenomena in organizational behavior (Price, 2001). The broad range of turnover studies is indicative of the significance and complexity of the issue. The phenomenon attracts interest due to its psychological dimension, its organizational significance, and its economic dimension.

As stated by (Armstrong, 2006), more pay, better prospects (career move), more security, more opportunity to develop skills, better working conditions, unable to cope up with jobs, poor relationships with manager/team leader, poor relationships with colleagues, bullying or harassment, personal (pregnancy, illness, moving away from area, etc.) can be the different possible reasons for employee's turnover intention. Several additional factors can be cited and listed by employees to contemplate turnover intention.

Proper administration of HRM practices is crucial in retaining employees in organizations. HR professionals and line managers have to work closely to ensure all key practices such as managing performance, administration of compensation policy, training, and employee relations are executed in an effective manner. How an organization manages its human resources (as reflected by its HRM practices) establishes the tone and conditions of the employee-employer relationship, (Onyije, 2015).

2.5. Relationship between HRM Practices and Turnover Intention

It is important for HRM to overcome employees' turnover intention. Issues encountered may be in the areas of shrinking pool of entry-level workers, individual differences, use of temporary workers, productivity and competitiveness, retirement benefits, and skills development (Kampkotter, 2014).

According to (Onyije *et al.* 2015), how an organization manages its human resources as reflected by its HRM practices establishes the tone and conditions of the employee-employer relationship. When such relationship is seen as that of a social exchange where the norm of reciprocity is central, employees would be more inclined to engage in positive work attitudes and behaviors.

Thus, Human Resources practices can influence organizational performance though its effect on individual employee performance. Below, further discussion is made from literatures point of view, HRM practices, and their relation with employees' turnover intention. Among the arrays of practices involved in human resource practices, the researcher has grouped the

possible factors that might affect employee turnover intention in to four predominant factors which this research hypothesizes will affect employee turnover intention.

2.5.1. Compensation and Reward

Compensations packages are different from company to company. Generally, employees always have high anticipations on the compensations packages offered by the company they are recruited. Therefore, it is foreseeable that an attractive compensations and rewards package help to retain potential employees (Mohammad and Daisy, 2015). It satisfies the financial and material desires of employees as well as providing a mean of increasing social status and power in the organization (Murphy, 2015).

Competitive compensation and benefit packages can signal strong commitment on the part of the organization, 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 & Stephens, 2004).

While there is general agreement about the importance of competitive compensation for employee retention, there is also a growing consensus that competitive, or even generous compensation will not single-handedly guarantee that a company will be able to keep its most valuable employees (Lochhead & Stephens, 2004). The common meaning of reward is something which offered by the company to the employees accordingly of their behaviors and contributions which are waited by the employees (Agarwal, 1998). The amount of pay, advantages, or equivalents employee received in return for action which employee renders to the company. Finding the suitable blend of tangible and intangible rewards to adequately retain your employees is a hard duty (Murphy, 2015), so reward can be inherent or outward, it can be in form of money or reward can be in form of recognition/declaration, for example, honor authentication or best employee of the week or the month and so on. In business world, companies can offer rewards in many ways e.g., acknowledgment, money rewards, grants, free excursions and free stocks etc. However, reward is anything which offers by the

company in any way responding of employee's performance, to encourage him or her for doing great with positive behavior in the future.

A research study by (Shahzad *et al*, 2008) revealed a positive relationship of reward practices with the performance of university teachers in Pakistan. This is important especially when countering the other factor of turnover intentions in the long run. It is a known fact that employees desire a compensation system that they perceive as being fair and commensurate with their skills, experiences, and knowledge.

2.5.2. Training and Career Development

Training and career development is defined as the process that the employees go through to acquire the skills, ability, and knowledge that is related to the job that is required by the company. (Chompookum, 2014) says that training shows significant relationship with turnover intention. According to Chompookum (2004), training and development helps upgrade employee knowledge as well as promotes their individual competencies. In addition, it can be useful for preventing Managerial Obsolescence. An organization can strengthen its bond with employees by investing in training and development. Training and development helps employees to develop personal competitive advantage (Aguenza & Mat Som, 2012). Many employees are looking for company that provide training and development programs that facilitate their career planning. These opportunities provided will increase commitment of employees. Managers who invest in developing employees to change and adapt the skills and knowledge concerning the business would receive the positivity and increased employee retention (Gul, Akbar, & Jan, 2012).

Although conventional wisdom states that trained individuals become more marketable and consequently might leave the organization at the first instance, contemporary studies have demonstrated that training and development affect job attitudes. In addition, when the training and development needs of employees and employers are met, the more likely employees will stay in their organizations. Training programs may help to fill the competency gap between the existing and required competencies in order to accomplish the organizational

goals in effective manner. Effective training programs result in increased production; reduce job turnover, and greater employee's satisfaction (Samuel, 2009).

(Joarder& Sharif, 2011) has shown that learning and development is an important retention strategy establishing and supporting learning and working organization is beneficial to the organization. Training of new employees ensures that they are comfortable in their new work environment and reduces the chances of the employees getting frustrated in their new position (Lashley, and Best, 2002). Research by (Cho, Johanson, & Guchait, 2009) shows that employees who feel they have the chance to develop new skills through training and development in the workplace are more satisfied with their jobs and are, as a result, more likely to remain loyal to an organization. (Joarder& Sharif., 2011). On the other hand, suggested that in today's competitive environment feedback from employees is very important for the organization and the more knowledgeable an employee becomes the better for them to perform to meet the global challenges of the market place. (Kampkotter ,2014) stated that training of employees also improves the output of the employees leading to higher quality services which improves the value of the employees to the organization thereby improving the desire of the organization to keep hold of them in the long term. (Handy cited in Gul, Akbar, & Jan 2012).) Mentioned that "proper innovation and assimilation of knowledge is essential for the survival in any work environment thus knowledge is the most expensive asset of any organization".

Study on 442 design engineers, revealed that the existence of career advancement within the organization actually lower turnover intentions (Chipunza, 2010). Similar study by University of Technology MARA, Malaysia, on 380 employees from 5-star hotels revealed that besides having good HR practices, other predictors such as career advancement program is essential to negate turnover intentions (Haines, 2010).

2.5.3. Employee Relations

Employee relations in an organization are simply described as maintaining a healthy working relationship between management and employees. This will contribute and sustain a satisfactory productivity, motivation and high morale work environment that enhance job

satisfaction for the employee and meet goals of the organization. Workplace employer-employee relationship will be the employment topics into the 20th century especially with the growing attention to employee rights.

The values created in employee relation is measured not just in terms of productivity but also enhancing customer satisfaction, retention, profitability and long term stakeholder value (Churchil, 2002). (Kuvaas, 2006) stress that there is a significant relationship between employee relations and employee turnover intentions which proves the positive employee-employer relationship that can have negative impact on employees intention to leave.

(Cappelli , 2001) states that “loyalty to the organization is a thing of the past, but that loyalty to one’s colleagues acts as an effective means of retention” When an employee decides to leave the organization, this also means the loss of a social network. Some research suggests that social contacts between colleagues and departments are an important factor for retaining talent. Organizations can contribute to the creation of a positive social atmosphere by stimulating interaction and mutual cooperation among colleagues and through open and honest communication between management and employees (Robbins. 2005).

2.5.4. Performance Appraisal

According to Onyije, (2015) performance appraisal is a formal program where employees are given a defined expectation on what is expected in terms of performance from their employers and how they are expected to meet those expectations. Meanwhile (Amstrong, 2011) says that performance appraisal or result oriented appraisals system consist of the processes of setting application, standards, informing and managing the events related to workers performance. It contains performance review with the manager and the worker, filling up of performance appraisal forms, and other paper works to evaluate worker’s performance. Performance appraisals are used to support human resource decisions and it also includes promotions, terminations, training, and merit pay increase (Onyije, 2015).

Appraisal system can serve as instrument for measurement and controlling. However, there are studies found that appraisal would become stressful when the respondents and evaluators

do not concerning of the importance and confusing the message results in the appraisal (Murphy, 2015). Besides that, perceiving of the fairness on the appraisal process could influence the employee satisfaction and resulted in the positive relationship between the organization and its employees (Sudin, 2011).

Performance appraisal can be used to distinguish strengths and weaknesses it could be to make room for development of employees and assist in setting objectives and improve employee performance. This may help to receive feedbacks, identify poor performance, and help to improve it in the longer run (Kampkötter, 2014). One of the most important applications for performance appraisal is the performance-related pay (PRP) system, which are generally used to set the objectives for employees with accordance to the organizations firm and to motivate and reward employees.

Performance management can focus on the performance of an organization, a department, employee, or even the processes to build a product or service, as well as many other areas. It is acknowledged that a lack of performance appraisal can have adverse effect on employees' motivation and contribute to employees' turnover intentions (Ton and Huckman, 2008).). An example is the research by the National University of Malaysia in 2004, in regards to performance appraisal and employee's perception and intention to leave. It was revealed that whenever performance appraisal is perceived by employees' to have organization political motives, this affect their job satisfaction and prone to turnover intentions (Poon, 2004).

2.6. Empirical Studies

A number of studies researched about the effect of HRM practices on employee turnover intention have been conducted over the years. The HRM practices that the organization is pursuing are stated in many of these different studies as one of the major factors for employees' turnover intention. Some revealed that besides fairness and growth opportunities as job satisfaction for employees, compensation and rewards was also cited as an important criterion for job satisfaction and negative turnover intention.(Kampkötter, 2014) stated job satisfaction as a mediator to turnover intention due to the compensation. Others, as indicated

in this chapter specifically, state different HRM practices as the major factor for employees' turnover intention, whereas some other researchers state compensation practices as the major factor for employees' turnover intention. Yet again, some others also stated that the single component of HRM will not bring the necessary outcome, so mixing of both financial and non-financial components of the compensation practice as appropriate is advised. Below, the researcher tried to summarize the few empirical studies that are related to HRM practices and employee turnover intention. .

Several researches suggest that human resource practices as having an additive effect on organizational performance (Gerhart and Milkovich, 1990; Becker and Gerhart, 1996) while other researches examine the joint effects of human resource practices on organizational performance (Dunnette and Hough, 1996). (Allen *et al.* 2003) argued that organizational practices that signal development opportunities and investment on employees should reduce employee turnover noted that in the recent past there has been a remarkable development in human resource management research on developed countries but little has been written about developing nations. Chipunza (2009)) stated that smaller organizations will have little capacity to specialize in human resource practices and policies when compared to large organization.

(Ton and Huckman, 2008) stated that high-performance 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 customers and to successfully carry out their tasks. (Kampkötter *et al.* 2014) found that there is little research examining the impact of HRM practices on organizational performance in the insurance industry

Most of the employees are having low turnover intention while they are in training, but turnover intention increases after they have been trained (Haines *et al.*, 2010). However, from the study by (Kim, 2012), it shows that there is a significant negative relationship between employee training and development with the turnover intention in the State government

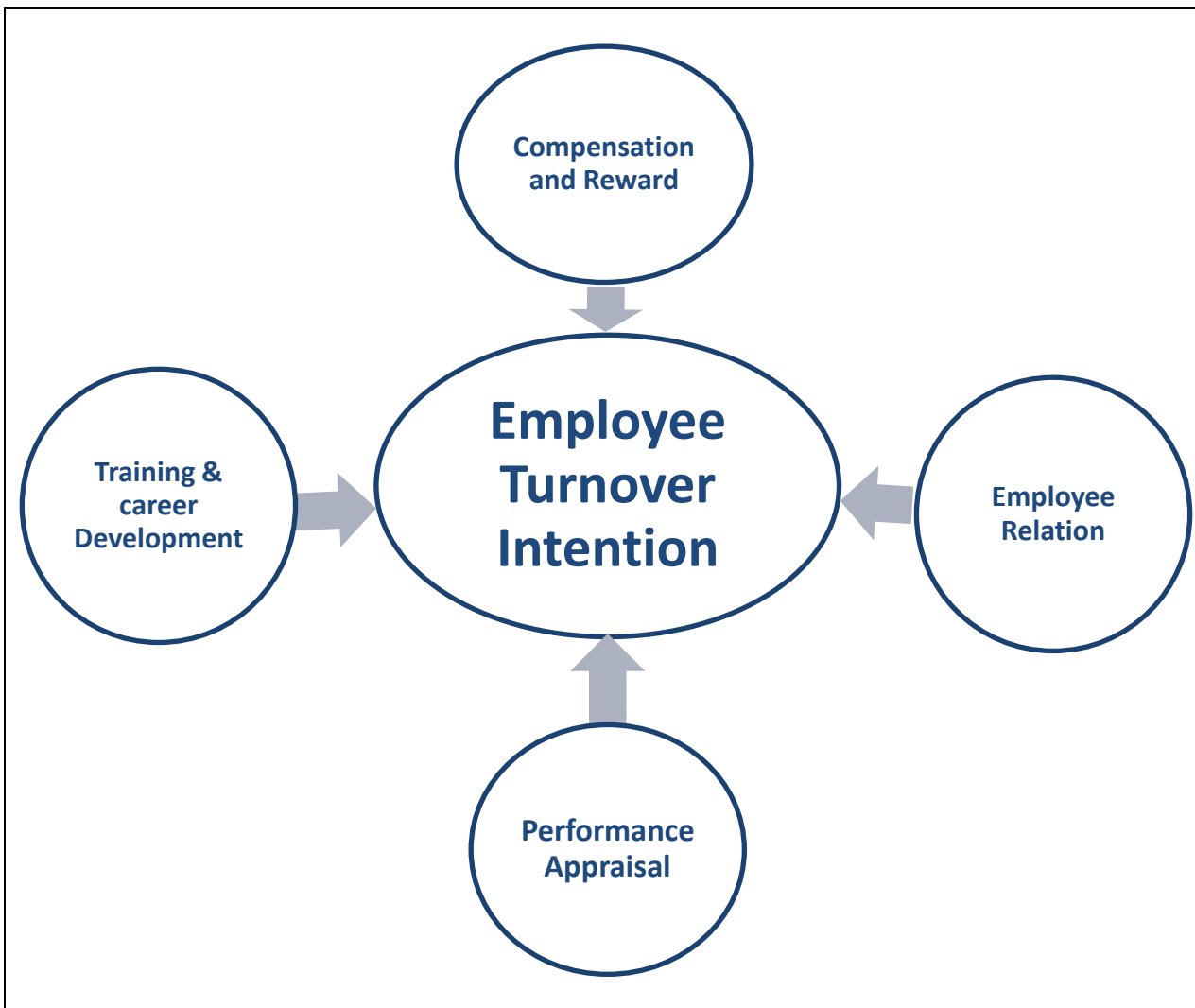
Information technology sector in United States. The reason is that training and development is able to increase the employee's job satisfaction and this may lead to lower turnover intention among the employees.

All the above point out researchers, acknowledged how employees' turnover is valuable and the critical importance of studying well the reasons for employees turnover intention to overcome the actual turnover by selecting different HR practices as independent variables to employee turnover intention or the dependent variable, which also were highlighted well in the literature review part of this study.

2.7. Conceptual Frame work

Based on the arguments drawn from the theoretical, conceptual and empirical literature reviewed, the study proposed a simple framework for predicting employee turnover intention in AIC.

To sum up, a high perception of the four chosen HRM practices is expected to decrease the turnover intention of employees. Thus, a negative relationship between the HRM practices and turnover intention is anticipated. The relationship between the HRM practices and turnover intention are illustrated in Figure below



Source: researchers own, 2018

Figure 1; Conceptual Framework

Figure 1 is the proposed conceptual framework that has been developed based on the literature review.

In this study, the dependent variable and independent variables are being chosen after broad studying has been done on literature review. Furthermore, previous research had been carefully studied with the employee turnover intention to leave in the correct and accurate way to be research.

The four independent variables are compensation and reward, training and career development, employee relation, and performance appraisal and one dependent variable turnover intention which are adopted from the past research conducted by (Fombrun Tichy and Devanna, 1984). Thus, this research study was developed by the above conceptual

framework following the different literature reviews and the practical problem of the organization that was indicated in the statement of the problem section in chapter one of this study. The conceptual frame works is formulated with a view that the independent variables, compensation and reward, training and career development, employee relation, and performance appraisal are the significant factors for professional employees' turnover intention in Africa Insurance Company.

After careful review of the literature which would help the researcher to describe, explain, and predict the relationship between variables, the following alternatives hypotheses are inferred as a tentative solution for the problem of the research undertaking.

H0: Compensation and reward has no significant effect on employees' turnover intention

H1: Compensation and reward has significant effect on employees' turnover intention

H0: Training and Development has no significant effect on employees' turnover intention

H1: Training and Development has significant effect on employees' turnover intention

H0: Employee relationship has no significant effect on employees' turnover intention

H1: Employee relationship has significant effect employees' turnover intention

H0: Performance appraisal has no significant effect on employee' turnover intention

H1: Performance appraisal has significant effect on employees' turnover intention

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Design

Research design is defined as the logical and systematic approach in planning and directing a piece of research (Sekaran & Bougie, 2010). It is stated as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose in procedure (Hashim, 2011).

A combination of both descriptive and causal research approaches is used in this study as the researcher seek to identify the effect of independent variable which is HR practice which includes (Compensation and Reward practice, Training, & Career development, Employee Relations and Performance Appraisal) on the dependent variable, which is turnover intention. Questionnaire will developed by using 5-point Likert Scale, where 5 is the highest degree of agreement (strongly agree) and 1 is the least degree of agreement (strongly disagree). Respondents will be asked to rate their responses to set of predetermined questions accordingly. The data collected will be quantitatively tested and summarized to make meaningful inference. Our research is quantitative research because it is predetermined and having a large number of respondents. Besides that, our research addresses the research objective by empirical assessments using numerical measurement and analysis. Moreover, we applied mathematical and statistical method to test the relationship between all the hypotheses. The items in PART 2 of our research questionnaires were measured in term of numeric rating scales that is under quantitative. In addition, sources of information are collected from the response of respondents through questionnaire that distributed to them.

3.2. Research Approach

The research approach to the study involves both quantitative and qualitative approach to collect data. In dealing with the quantitative approach, this study uses descriptive and inferential statistical approach. The collected data was summarized and analyzed using

descriptive and inferential statistics. The result then is presented in the form of tables followed by discussions for further interpretation on the findings. Using SPSS version 20.0 data analysis method, descriptive statistics were used to present the demographic characteristics of the participants. One sample t-test was used to check on the significance level of difference on employees' agreement level towards the selected HRM practices and their intention to leave from the organization. Correlation analysis was also done to see the relationship between the dependent and independent variables. Additionally, regression analysis was done to identify the effect of selected HRM practices on the clerical employees' turnover intention and to test the outlined hypotheses.

3.3. Population and Sample

3.3.1. Population

Target population can be defined as a specified group of population which the researchers are interested to collect data or statistic from them (Hair and Bush, 2006). As a result, the target population in this research encompasses all employees except non-clerical staffs in AIC in Addis Ababa which includes head office and branches. Accordingly there are about 242 employees which include 30 employees at senior managerial position. Sampling frame containing the list of all employees at the company was found from the HR department.

3.3.2. Sample size

A sample is a sub-set or part of the target population; sampling is a process of selecting subjects or cases to be included in the study of the representative of the target population (Mugenda and Mugenda, 2003). In order to determine the appropriate sample size, (Taro Yamane's, 1967) simplified formula was used. This formula helps to determine the sample size of finite Population. If the population is finite it should be corrected to a desired level of precision.

Accordingly the formula is $n = \frac{N}{1 + N(e)^2}$

n = Sample size N= Population Size e= the desired level of precision (in this case 0.05)

$$n = \frac{242}{1 + 242(0.05)^2}$$

$$n = \underline{151}$$

Accordingly the sample size for the research is found to be 151 employees. To select 151 employees from the population, the researcher used both probability and non-probability sampling techniques. Multiple stage sampling is used for selecting the sample respondents.

A stratified sample is a sampling technique in which the researcher divided the entire target population into different subgroups or strata and then randomly selects the final subjects proportionally from the different strata. The employees working in the company were categorized in stratum. The first stratum contains employees working in the Head Office and the second stratum contains employees working in all the Branches. Then, for convenience, only the branches in Addis Ababa City were considered to select sample from the target population. This method was applied due to the uniformity of the human resource practices of the company irrespective of the location. Accordingly in addition to the head office, 9 branches in Addis Ababa city were chosen for the study. Simple random sampling was used by lottery method in choosing individual respondents in each office.

Once we have identified the total sample size i.e. 152, we need to distribute this sample among the identified strata's in such a way that proportionate representation is achieved among the target population. To calculate the sizes of the samples from the different strata, the researcher used the below formula as per to (Kothari, 2004).

$$n_i = n \cdot P_i$$

Where n represents the total sample size, P_i represents the proportion of population included in stratum i and the number of elements selected from stratum i is $n \cdot P_i$. Accordingly a sample proportion of 62% i.e. total sample size divided by total population (152 employees /242 employees) was identified as a criterion for selecting sample size from each stratum. This calculation would give the sample size per each stratum as illustrated in the table below.

Table 2: Sample size identification

Department	Target population	sampling proportion (0.62)	Sample Size (63%)
Head office organs	130	0.62	81
Filwuha branch	13	0.62	8
Life branch	20	0.62	12
T/Haimanot Branch	18	0.62	11
Yoseph Branch	10	0.62	6
H/Giorgis Branch	8	0.62	5
Kirkos Branch	11	0.62	7
Gofa Branch	12	0.62	7
Bole/Yeka Branch	8	0.62	5
Saris branch	14	0.62	9
Total	242		151

* Excludes top level management and non-clerical staff.

3.4. Data Sources and Types

Both primary and secondary type of data is used to conduct the study. Primary data is collected through interviews and questionnaires. This gives specific responses to the research questions. Primary data is recognized as data is gathered for a specific research in response to a particular problem through questionnaires and interviews. Questionnaires will help the researcher get much information from different sources. While secondary data is collected from various document like annual reports, local and international newspaper related with issues of turnover and retention, Research reports, books and journal articles. The researcher collected secondary data from the company's annual report, procedures, and prior HRM researches performed.

Questionnaire mainly consists of structured or close-ended questions which use a 5 scale Lykert scale to rate primary data for the study from selected samples in order to take the opinions of employees on the selected HRD practices of the company and to complement the data which were obtained through interviewing HRD officials of the company.

3.5. Data Collection Procedures

Questionnaires are cheap to administer to respondents who are scattered over a large area. It is convenient for collecting information from a large population within a short span of time. According to (Zikmund, 1994), questionnaires will enable the researcher to reaching out to a large number of respondents within a short time; give the respondents“ adequate time to respond to the items, offer a sense of security (confidentiality) to the respondents and it is an objective method since no bias resulting from the personal characteristics.

Through careful and through review of prior research’s that focus in employee turnover intentions and their variables and HRM practices, the researcher developed a specific sets of questions to be included in the questionnaire. The questionnaire have Likert scale framework. Likert scale is a scale that can allow the respondents to measure the question and answer according to any kind of subjective or objective criteria. Generally there was agree and disagree have been measured (G.Zikmund, J.Babin, C.Carr& Griffin, 2010). There are usually five options. The options normally are strongly disagree (SD), disagree (D), neutral (N), agree (A) and strongly agree (SA). The respondent can fill up their answer by choosing among the five options available for the sets of questions presented.

The questionnaire was pretested before their administration to ensure validity and reliability of the data to be collected. According to (Kothari, 2004), the purpose of pre-testing the data instrument is to ensure that the items in the instrument are stated clearly and have the same meaning to all respondents. It is only during pre-testing that the researcher will be able to assess the ease of use of the instrument. Any sensitive, confusing, or biased items were identified and modified or omitted. Pre-testing permits refinement before the final test (Cooper, 2003). Accordingly the questionnaire is pre tested on few employees, feedback collected, and final draft prepared to be distributed to respondents.

The questionnaire is divided into 3 categories which are part 1, questions are demographic to measure the personal details such as gender, age, working experience; part 2 is all about the dependent variables which is employee turnover intentions; part 3 is about selected HRM

practices (Compensation and reward, Training & Career Development, Employee relation and Performance appraisal). Moreover, PART 2 are using interval scale to determine the dependent variable and all independent variables. They are measured by five-point Likert scales which are one, two, three, four, and five representing strongly disagree, disagree, neither, agree, and strongly agree.

3.6. Data Analysis

In analyzing the data collected the researcher used both quantitative and qualitative methods. Quantitative analysis involved computation of descriptive statistics mainly percentages. The use of tables and percentages in particular helped the readers to note the relationships in quantitative sense more clearly.

After data collection, the quantitative responses of the respondents is cleared and coded for analysis. The data is organized, analyzed, and presented by using tables and further discussion was conducted to interpret the result. SPSS, 20.0 versions (Statistical Packages for Social Science) was used to analyze the data presented. SPSS is selected for analysis because the software is easy to use, to understand and generate relationship between variables and easy to interpret the output with short period of time. Data analysis is a most difficult part in the quantitative research. Other statistical techniques and outputs like one sample t-test, correlation, and multiple regression analysis was also used as an inferential statistics and as a method to test the outlined hypothesis in addition to presenting the data by using descriptive statistics.

Qualitative data analysis on the other hand involved factual and logical interpretation, comparison, and explanation of study findings. The researcher narrated the findings in words especially the data that will be obtained through documentary sources and observation.

3.7. Validity and Reliability

3.7.1. Validity

To assure the validity of the instrument, the questionnaires used in this study were adapted from previous researchers. Further, the validity of the instrument was checked by first doing face validity with few co-workers, then 15 questionnaires were distributed for pilot testing which helped the researcher to check on the gaps and adjust the questionnaire accordingly then acceptability was also gained after it is checked by professionals in the field.

3.7.2. Reliability

Reliability of the instrument was also tested to check on its internal consistency using Cronbach alpha result for all four categories of the questionnaire. The result indicates that the value of Cronbach's alpha equals to 0.739 proving that the scale is indeed reliable.

Table 3; Reliability statistics

No	Variables	Cronbach's Alpha
1	Compensation and reward	0.762
2	Training and career development	0.821
3	Employee relations	0.654
4	Performance appraisal	0.594
5	Intention to leave	0.864
6	Total	0.739

Source: SPSS; 2018

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

In this Chapter, the results of the study are reported. It includes the demographic characteristics, mean and standard deviation, correlation analysis, and the outcomes of the regression tests of the variables involved.

4.1. Demographic Characteristics

A total of 151 questionnaires were distributed to professional employees of Africa Insurance Company out of which, 145 questionnaires were returned with response rate of 96%. Information related to the demographic variables of respondents is displayed as follows.

Table 4. Gender distribution of respondents

No	Gender	Frequency	Percent
1	Male	100	69.0
2	Female	45	31.0
	Total	145	100.0

Source: own survey: 2018

As shown above in Table 4, relatively higher compositions of male than female employees of the company were represented in the sample.

Out of the total respondents, 85 of respondents with 58.6% are age below 30, 21 of respondents or 14.5% are age 30-40, 29 of respondents or 20% are age between 40-50, and 10 respondents or 6.9% is aged above 50. The demographic data of the company showed that most of the employees are in the younger age group i.e. between the ages of 18-29, which has also been exhibited in the data received from participants of the study.

Table 5. Age distribution of respondents

No	Age of respondents	Frequency	Percent
1	18-29	85	58.6
2	30-40	21	14.5
3	40-50	29	20.0
4	Above 50	10	6.9
	Total	145	100.0

Source: own survey: 2018

The data displayed in Table 6 Below concerning the educational qualification of the respondents, shows that 60.7%, and 26.6%, represented those who are qualified with first degree and second degree above respectively which resembles to the overall demographic data of the insurance company's employees.

Table 6: Educational Background of respondents

No	Educational Background	Frequency	Percent
1	Diploma	4	2.8
2	degree	88	60.7
3	masters	53	36.6
4	Ph.D.	0	0
	Total	145	100.0

Source: own survey: 2018

As shown in the Figure 2, the percentage of years of experience declines as the number of years of employees of the company increases. More than half of the current employees of the Bank have less than four years of experience. 51% of all respondents have experience level not greater than four years.

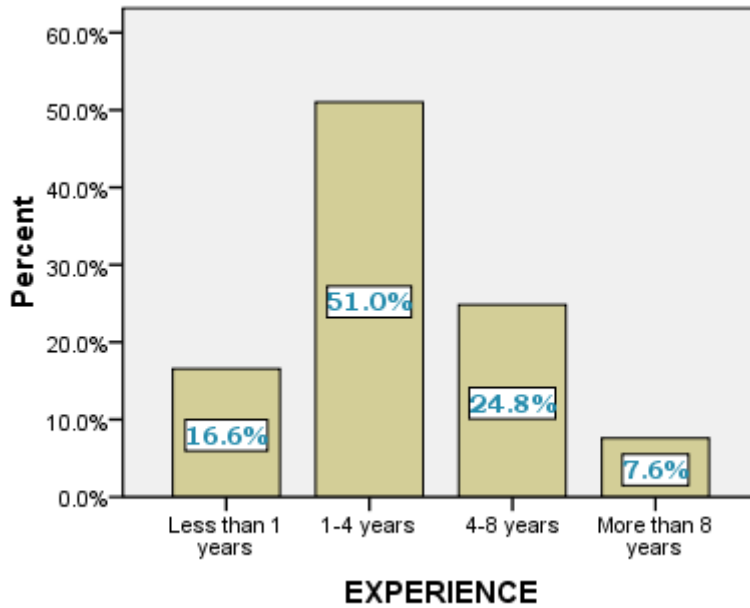


Figure 2: Experience levels of respondents

4.2 Descriptive Statistics of Study Variables

The following section presents the respondents’ perception on the independent and dependent variables. The respondents were asked to indicate the extent to which they agreed and disagreed to statements relating to the variables under study on a five-point Likert scale (1=Strongly Disagree to 5= strongly Agree). A mean of above 3 is regarded to measure satisfaction on the test variables. Standard deviation was used to indicate the variation or “dispersion” from the “average” (mean). A low standard deviation indicates that the data points tend to be very close to the mean, whereas high standard deviation indicates that the data is spread out over a large range of values. This is well elaborated in the table and narratives below which show the respondents and the statistics

The clerical employees view towards the benefit package of the organization is also illustrated below using inferential statistics in the below presented table

Table 7: Mean and Standard deviation of respondent’s Compensation and Reward attitude

No					
		N	Mean	Std. Deviation	Std. Error Mean
CR1	The compensation & reward I receive matches my work effort.	145	2.1	1.003	.083
CR2	The compensation and reward policy of the company is attractive to me	145	2.23	1.003	.083
CR3	The compensation and reward of the company is attractive when compared to the industry standard	145	2.06	.502	.042
CR4	I am satisfied with the quality or quantity of the reward I have received so far	145	3	.897	.075
CR5	AIC offers a better compensation and reward package as compared to other insurance companies in the industry	145	2.34	.475	.039
CR6	Compensation &reward can be significant factors for me considering intention to leave	145	2.16	1.040	.086
AVERAGE		145	2.315	.725	.060

Source: own survey 2018

In relation to respondent’s attitude towards compensation and reward practice of the company, the respondents have agreed that the existing compensation and reward practice of the company is not attractive (mean = 2.315). Specifically respondents cumulative response to question CR3 regarding AIC compensation and rewards policy’s competitiveness in the industry shows that respondent don’t believe that the existing compensation and reward policy of the company is lagging behind other insurance companies in the industry.(mean = 2.06 and S.dev =0.502).

The existing HR manual is drafted in 2004 E.C and has been used with little or no major modification for over 7 years and the benefit package for employees is not revised for some years as the scheme includes the basic benefits and the salary revision can compensate this.

Table 8: Mean and Standard Deviation of respondent’s Attitude towards Training and Career development

One-Sample Statistics					
No		N	Mean	Std. Deviation	Std. Error Mean
TD1	My present job provides me with good opportunities to develop my career goals.	145	4.35	.750	.062
TD2	There is sufficient career path for me in the company	145	3.68	1.116	.093
TD3	The company has provided me with sufficient trainings to improve my capacity	145	4.00	.000 ^a	.000
TD4	I am satisfied with the quality or quantity of Training and Career development opportunities i have received so far.	145	4.00	.000 ^a	.000
TD5	AIC offers a better Training and Career development opportunities as compared to other insurance companies in the industry	145	3.83	.379	.031
TD6	Training and Career development opportunities in the company can be significant factors for me considering intention to leave.	145	3.97	0.299	.108
AVERAGE		145	3.98	1.031	.086
a. t cannot be computed because the standard deviation is 0.					

Source: own survey 2018

Looking at the training and career development variable, the respondents agree that the company’s has the capacity to provide regular opportunities for personal development and the availability of career development activities to help an employee identify as shown by the mean of 3.98. Majority of respondents also believe that training and career development opportunity at AIC is regarded as a significant factor while contemplating intention to leave the company in search of other employment opportunity as can be seen by the low level of standard deviation i.e. 0.299. Training and career development component of the questionnaire have received a positive response by the respondents which leads the researcher to believe that the company’s policy towards training and development can have a significant impact on employees attitude towards their organization.

Table 9: Mean and Standard Deviation of Respondent’s Attitude towards Employee’s Relations

No		N	Mean	Std. Deviation	Std. Error Mean
ER1	My working conditions are as safe as they can reasonably be	145	4.19	.670	.056
ER2	I enjoy working with my colleagues going to work	145	4.34	.475	.039
ER3	I have good working relationship with my supervisor	145	4.14	.315	.056
ER4	AIC offers a better working condition and employees relations as compared to other insurance companies in the industry	145	3.50	1.137	.094
ER5	Relationship in the organization (both with employee and supervisors) in the company can be significant factors for me considering intention to leave.	145	3.98	1.031	.086
AVERAGE		145	4.16	.704	.058

Source: own survey 2018

Fostering a supportive and optimistic working environment and relationship between employees and supervisors is essential for maintaining effective workforce. Understanding the elements of employee’s relationship can enhance employee’s motivation and reduce their intention to leave the company. To that effect the data collected from respondents show that there exists supportive employee relationship and working condition in AIC. Despite respondents lack of consensus about comparisons of employee relations between AI and other insurance companies in the industry (mean =3.50), majority of respondents believe that there is an enjoyable and conducive employee relation between colleagues in the work place(mean =4.34). Furthermore contrary to popular understanding of rift between subordinates and supervisors, respondent sin AIC believe their existing working relationship with their supervisors to be good (mean= 4.14 and std.dev =.315).

Table 10: Mean and Standard Deviation of respondent's Attitude towards Performance Appraisal

No		N	Mean	Std. Deviation	Std. Error Mean
PA1	The feedback I receive on how I do my job is highly relevant	145	4.09	.670	.056
PA2	The Performance appraisal policy of the company is attractive to me	145	3.84	1.253	.104
PA3	Performance appraisal policy of the company can be significant factors for me considering intention to leave.	145	3.62	.770	.064
AVERAGE		145	3.85	.903	.075

Source: own survey: 2018

Performance management systems help a company track its objective and its current performance in relation to pre-determined sets of objectives and assess the potential of its employees to achieve their tasks. Performance appraisal besides providing information on employee's potential can have a motivational impact on employee's day to day task. Accordingly respondents believe that the existing performance appraisal and management system can be a significant factor in staying in the company (mean 3.85 and std.dev =.903).

The primary research question that the researcher was interested to address was, to identify and understand employee's intention to quit their job. In line with this, respondents were requested to answer questions, which are presented on the table below

Table 11: AIC Sample respondent's attitude towards Turnover Intention

AIC respondent's turnover intention					
No		N	Mean	Std. Deviation	Std. Error Mean
TI1	I often think about quitting my job.	145	3.94	.966	.080
TI2	I currently look for a job outside my organization.	145	3.87	.907	.075
TI3	I will leave this organization if I could find a similar position at another organization.	145	3.67	.764	.063
TI4	It is very possible that I will look for a new job within next year.	145	3.81	.897	.075
TI5	If I may choose again, I will choose to work for another organization.	145	3.32	.470	.039
AVERAGE		145	3.722	.502	.042

Source: own survey 2018

It was observed that sample respondents feel that their personal values and intentions in the organization towards employment in the company are low. Majority of respondents in their response to questions (TI1 i.e. I often think about quitting my job) and (TI2 i.e. I currently look for a job outside my organization) have affirmed their continuous desire to search for better jobs and their lack of motivation to stay at the company with the mean of 3.94 and 3.87 respectively. Similar questions about searching for other job in the near future have also received a positive response by the respondent with the moderate response for TI5 showing that if given the choice of not being hired by the company in the first place, respondents were divided on their responses as can be seen by the mean of 3.32.

4.3 Correlation Analysis

The turnover intention of employees is expected to have been driven by the HR practice in the company and checking on the relationship between the dependent and independent variables was also the interest of this research. In order to assess the relationship of employees' turnover intention with the selected Human resource related components, a correlation analysis was conducted. Correlation is used to answer the question if there is a

relationship between two variables and to quantify the strength of linear relationship between the variables.

According to (Kothari, 2004), Pearson’s coefficient, is the most widely used method of measuring the degree of relationship between two variables. The value of “ r ” lies between ± 1 . Positive values of r indicate positive correlation between the two variables (i.e., changes in both variables take place in the same direction), whereas negative values of “ r ” indicate negative correlation (i.e., changes in the two variables takes place in the opposite directions). A zero value of “ r ” indicates that there is no association between the two variables.

4.3.1. Correlations between Reward and compensation and Turnover Intention

H0: Compensation and reward has no significant effect on employees’ turnover intention

H1: Compensation has significant effect on employees’ turnover intention

Table 12: Correlations between Compensation and Reward (CR) and Turnover Intention (TI)

Correlations			
		TIA	CRA
CRA	Pearson Correlation	- 0.802**	1
	Sig. (2-tailed)	.000	
	N	145	145
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: own survey 2018

Based on the results, the relationship between Turnover Intention and Compensation and Reward is negative due to the negative value for correlation coefficient. The Turnover Intention has a - 0.802 correlation with the Compensation and Reward. Accordingly when Compensation and Reward is high, Turnover intention of employees is low.

The relationship between compensation and reward and employees turnover intention is significant because the p-value <0.0001 is less than alpha value 0.05. Therefore, null hypothesis (H0) is rejected while the alternative hypothesis (H1) is accepted.

4.3.2. Correlations between Training and Career Development and Turnover Intention

H0: Training and Development has no significant effect on employees’ turnover intention

H1: Training and Development has significant effect on employees' turnover intention

Table 13: Correlations between Training and Development (TD) and Turnover Intention (TI)

Correlations			
		TIA	TDAA
TDAA	Pearson Correlation	-.615**	1
	Sig. (2-tailed)	.000	
	N	145	145
. Correlation is significant at the 0.01 level (2-tailed).			

Source: own survey 2018

The findings in the above presented table imply that training and development is intensely linked to employee's intention to leave the company. Training and development offered to employees are beneficial in term of motivation and job satisfaction which will lock the employees to their job.

4.3.3. Correlations between Employee Relations and Turnover Intention

H0: Employee relationship has no significant effect on employees' turnover intention

H1: Employee relationship has significant effect employees' turnover intention

Table 14: Correlations between Employees relation (ER) and Turnover Intention (TI)

Correlations			
		TIA	ERA
ERA	Pearson Correlation	-.711**	1
	Sig. (2-tailed)	.000	
	N	145	145
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: own survey 2018

Based on the results, the relationship between employee relation in the work environment either with other employees or their respective supervisors and employee turnover intention is negative due to the negative value for correlation coefficient. The employee's relation in the work place has a - 0.711 correlation with the employee's turnover intention. Thus, when employee's relation in the work place is positive and conducive and enjoyable for employees,

their intention to leave the organization in search of better working environment will be low. Accordingly the null hypothesis is rejected and the alternate hypothesis which posits significant correlation between Employee relations and turnover intention is accepted.

4.3.4. Correlations between Performance Appraisal and Turnover Intention

H0: Performance appraisal has no significant effect on employee' turnover intention

H1: Performance appraisal has significant effect on employees' turnover intention

Table 15: Correlations between Performance Appraisal (PA) and Turnover Intention (TI)

Correlations			
		TIA	PAA
PAA	Pearson Correlation	-.862**	1
	Sig. (2-tailed)	.000	
	N	145	145
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: own survey 2018

Based on the results, the relationship between Performance appraisal and employee' turnover intention is negative due to the negative value for correlation coefficient. The Performance appraisal has a -0.862 correlation with employee's turnover intention. Thus, when Performance appraisal and management which ultimately will have an impact on future career in the company is high, employee intention to leave their current positions is low. The value of 0.862 falls within the coefficient range of ± 0.71 to ± 0.90 . Therefore, the relationship between Performance appraisal and employee' turnover intention is low.

4.4 Multiple Linear Regressions

From the correlation analysis conducted above, the compensation and reward practices, training and career development, employee's relations and performance appraisal are found to have a strong relation to the turnover intention of professional employees in Africa insurance company which gives the clue that the selected human resource practices have some sort of influence on employees' intention to leave the organization.

As discussed in the previous chapter, multiple regression analysis would be used to evaluate the effects for two or more than one independent variables toward the dependent variable. Hence a multiple linear regression analysis is conducted to evaluate the effect of selected human resource practices at AIC on employees' intention to leave or stay in the company to test the predetermined hypotheses

Multiple regressions model

$$Y = a + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + e$$

Where Y = the dependent variable

X_i = the independent variables

e = the random error term

$\beta_1, \beta_2, \beta_3 \dots \beta_n$ are the unknown parameters that are to be estimated

a = the constant (the value of Y when the value of all independent variables is zero)

The below presented regression model shows the determination of which independent variables should be included in or excluded from a regression equation. The following model is used to find the statistically significant factor affecting employee's turnover intention.

$$TIA = b_0 + b_1(CPAA) + b_2(TDAA) + b_3(ERA) + b_4(PAA) + \epsilon_i$$

(Where TIA represents Turnover Intention Average, CPAA represents Compensation and reward Average, TDAA represents Training and Career development Average, PAA represents Performance Appraisal Average.)

The relative predictive power of an independent variable on the dependent variable can be evaluated using the regression coefficients. According to the beta coefficient of each independent variable i.e. (compensation and reward practices, training and career development, employee's relations and performance appraisal) in a regression model shows the relative importance of the variables in influencing the dependent variable (employees' intention to leave) as compared to other variables in the model.

In this research, the "Unstandardized beta coefficient" and the "Adjusted R²" values are used to analyze the results of the regression. The unstandardized beta coefficients represent the

amount by which the dependent variable changes with one unit change in the independent variable keeping others constant, while the Adjusted R Squared figure shows the extent to which the change in the independent variable explains the dependent variable.

According to, in the multiple regressions model (the constant) represents the value of the dependent variable (Y) when the values of all independent variables are zero. He also stated that, R^2 (the multiple correlation), represents how much percent of variance in the dependent variable can be explained by the independent variables in the model. (Gujarati, 2004) added that R^2 value close to 1 show a better model fit of the data.

Table 16: Regression Results for Turnover Intention as Dependent Variable

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.704	.347		-2.029	.000
	CPAA	-.500	.044	-.722	-11.481	.006
	TDAA	-.489	.046	-.214	-14.012	.004
	ERA	-.602	.080	.055	12.875	.001
	PAA	-.250	.074	-.900	-6.739	.013
a. Dependent Variable: TIA						
R						.816
R^2						.665
Adjusted R^2						.656
Std. Error of the Estimate						.294

Source: SPSS: 2018

Accordingly the above presented multiple regression analysis shows that the independent variables explained 65.6 % of the variance in employees intention to leave ($R^2=.665$, $F(df1, df2) = \dots$, $p < 0.01$). It was found that employee relation and compensation and reward practices were the strongest predictor for employees turnover intention ($\beta = -0.602$, $P=.001$ and $\beta = -0.500$, $P=.013$ respectively) and followed by training and career development ($\beta = -0.489$, $P=.004$) and performance appraisal ($\beta = -0.250$, $P=.013$).

Based on the table above, the following equation is derived as below:

$$\text{TIA} = -0.704 - 0.500(\text{CPAA}) - 0.489(\text{TDAA}) - 0.602(\text{ERA}) - 0.250(\text{PAA})$$

This means that the increase of 1 unit of compensation and reward policy of the company may incur the decrease of 0.500 units in turnover intention of its employees. On the other hand, for the independent variable of training and career development, every increase of 1 unit will cause the decrease of 0.489 units in dependent variable, turnover intention. The increase 1 unit of employee relations may lead to the decrease of 0.603 units in turnover intention. 1 unit increases on the last independent variable, performance appraisal will incur the decrease of 0.250 in turnover intention.

4.4.1. Relationship between Employee Relations and Turnover Intention

H1: There is significant relationship between employee relations and turnover intention.

The relationship between employee relations and their turnover intention was found to be significant. This is because the p-value 0.021 is less than alpha value 0.05. The result shows that working condition will affect turnover intention. Based on the result from data above, it is showed that employee relations at the work place and turnover intention have negative linkage with each other. Thus, when relationship among employees and their supervisor is good, their subsequent turnover intention is low. it should also be understood that in theses research employee relations was found to be the primary significant variable with β coefficient of 0.602.

Our research's findings were found to be in line with others researches. (Deery, 2007) found that Work environment which includes positive relationship between employees and their supervisors is one of the factors that affect employee's decision to stay or leave with the organization. A positive working condition not only can reduce employee strain but also act as motivator and contribute in point of organizational effectiveness (Kumar & Singh, 2012) Moreover, according to Kramer and Schmalenberg (2008), a well working condition can reduce the employees' turnover, burnout among employees and minimize job stress and increase job satisfaction.

Based on the finding support that, we can conclude employee relations may affect the turnover intention in an organization. This shows that there is significant relationship among employee relations and turnover intention.

4.4.2. Relationship between Compensation and Reward and Turnover Intention

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

The relationship between compensation and reward and turnover intention is significant. This is because the p-value 0.06 is less than alpha value 0.05. The result shows that compensation and reward will affect turnover intention. When the level of compensation and reward is high, turnover intention is low.

According to (Derycke, 2010) the imbalance of effort-reward which mean different between high efforts and low reward increase the intention to leave. High effort and low reward in employee's professional life create intention to leave an organization (Cook, 2008). Besides that, the failure to be rewarded as expected may lead to frustration and make them no motivate and eventually will quite the job (Huselid, 1999)

Based on the finding support that, we can conclude that an inadequately reward provide to employees affect employees decision to stay with organization, they have intention to join other organization which provide more attractive or adequate reward to them.

4.4.3. Relationship between Training and Career Development and Turnover Intention

H1: There is significant relationship between Training and Career development and Turnover Intention.

From the hypothesis test proposed, it shows that there is significantly negative relationship between training and turnover intention. The value of -0.767 indicates training is negatively correlated to turnover intention.

According to (Connie et.al, 2009), training is the important part of human resources variable which can give an important impact of employee's turnover intention. The finding in this

research is consistent with previous result from other researchers, Joarder & Sharif, (2011) and (Fairris, 2004). The studies indicated that employee's training is negatively related to turnover intention.

4.4.4. Relationship between Performance Appraisal and Turnover Intention

H1: There is significant relationship between Performance Appraisal and Turnover Intention.

According to the result shown in the above table, there is negative relationship between performance appraisal and employees intention to leave in the insurance company. The negative correlation coefficient of performance appraisal has indicated that when the performance management system and appraisal of the employee is high, the employee retention in nursing industry is also high. The finding in this research is consistent with previous result from other researchers, Beletshachew, (2011) and Hagere 2017 which concluded the existence of position relationship between performance management system and employee retention.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATION

This chapter will provide 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 company under the study and for other professionals interested in pursuing additional research in the future.

5.1. Summary of Major Findings

Human resource is valuable and serves as the backbone of organizations the world over. Indeed Human resource is rare resources and it creates valuable competitive advantage. It is therefore imperative for companies to prepare adequate HR measures to retain employees because employee turnover is costly and can negatively affect company's effectiveness.

The demographic data of the company showed that most of the employees are in the younger age group i.e. between the ages of 18-29, which has also been exhibited in the data received from participants of the study.

The regression model shows that the R square value had gain 0.665, which is 66 percent. These mean that 66% of dependent variable of turnover intention can be explained by it 4 independent variable. The independent variable refer to include Compensation and Reward Performance Appraisal, Employee Relations and Training and Development in this research, it will conclude that 34% (100% - 66%) of dependent variable of turnover intention is explained by other potential factors. The value of adjusted R square with value of 0.656 which 65.6% represented the significant contribution of the 4 independent variable toward dependent variable.

Table 17: Conclusion of hypothesis

Hypotheses	Result	Accepted / Rejected
H1: Compensation and reward has significant effect on employees' turnover intention	$\beta = -0.500,$ $P=.013$	Accepted
H2: Training and career Development has significant effect on employees' turnover intention	$\beta = -0.489,$ $P= .004$	Accepted
H3: Employee relationship has significant effect employees' turnover intention	$\beta = -0.602,$ $P=.001$	Accepted
H4: Performance appraisal has significant effect on employees' turnover intention	$\beta = -0.250,$ $P=.013$	Accepted

Source: Own survey, 2018

5.2. Conclusion

The general objective of the study was to identify the effect of HRM practices of AIC employees' turnover intention. The literature presented in chapter two indicates the different HRM practices that lead to employees' turnover intention. The study reveals that there is a highly considerate level of clerical employees' turnover intention, which is significantly influenced by all the selected HRM practices employee relations, was found to be the primary significant variable

In fact, employees' satisfaction on the overall compensation practice was significantly low level of satisfaction. Which indicates the need to give attention on the compensation review time and overall management of the compensation practice as its influence to the employee's turnover intention is one of the key factor and is basic in employee-employer relationship. Additionally, the findings entails the organization to consider its HRM practices with regards to performance appraisal, training and career growth opportunities and non-financial recognition as employees' intention to leave the organization is also considerably influenced by these factors .

The turnover intention can be minimized with some level of improvement as the intention seems controllable if subsequent action is followed and as a step improvement in the different

independent variables will result a notable amount of turnover intention reduction, keeping other uncertain situations constant.

Apart from providing some answers as to how to tackle the critical management issue of employee turnover, both theoretically and practically, the study also bridges the gap in the literature on the effects of HRM practices on employee retention in the banking industry in Ghana. It further serves as secondary data for prospective researchers and a reference point for future studies.

Finally, here are the lists of points outlined for future studies that the researcher would like to highlight.

- ✓ What are the other HRM practices that lead clerical employees' turnover intention?
- ✓ What the organization needs to consider in order improving HRM practices?

5.3. Recommendations

From the summary of the findings made from examining the relationship between the selected human resource practices and employee turnover intention and review of related literatures, the following points are forwarded as recommendation in order to help the company solve the identified gap related to employee turnover intention and to foster better retention practices.

- The first recommendation that the researcher wants to give is, to primarily develop a well-organized retention strategy which follow updated HRM practices as appropriate and consider the various things that staff would value. In doing this strategy, the organization can gain the other major factors that makes the clerical employees to think of quitting.
- The company should provide proper work environment and encourage employees to develop and maintain better relationship among them. Encouragement of team building activities, project assignments involving work with colleagues and create opportunities for interaction both on and off the job leads to higher retention rates and Working relationship between the management and employees must be improved. Employees should be able to feel that the management values them and their work as

well as respecting them. The existing employee's relationship and work environment needs to further be improved as it was found to be a significant asset and value to the company.

- In order to retain clerical employees in the company, revision of the current remuneration, reward, and recognition scheme and overall HR manual must be undertaken for the improvement and implementation of a competitive and fair remuneration, reward, and recognition scheme. Organizations should identify those benefits which have more influence on employee retention, plus revisiting their present benefits package to identify those benefits which are not useful in order to replace them and the Reward should be awarded on merit and promotion should be on seniority and merit both on time, which helps in production and retention.
- Improving the existing positive the training and career development practice of the company to ensure the provision of opportunities for every employee, in order to ensure that the workforce is highly skilled and thereby enhancing employees' organizational citizenship and commitment, and bring direct positive impact on employee intention to stay. Sufficient training programs to all employees should be established as a regular practice so as to improve employee's performance, satisfy employee's growth needs and increase employee retention.
- Generally, the researcher agrees with (Philip et al, 2006) agreement, who stated that, there is no best practice as a staff retention but the positive fact lies that, the majority of high performing organizations have similar attitudes in giving constant attention to improvements in efficiency and effectiveness. Thus, AIC should first develop, implement, monitor and evaluate a retention strategy to be followed by a regular revision on its HRM practices to keep boosting its employee satisfaction level and retain its number one valuable asset, the clerical employees.

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Appendix I-Questionnaires'

Addis Ababa University School of Commerce Questionnaire

Dear respondent,

I would like to thank you in advance for showing willingness to fill the research questionnaire. This questionnaire is designed to collect data from employees that are working in Africa Insurance Company (AIC). The data is collected for partial fulfillment of Master of Arts in Human Resource Management under the research entitled "*The effect of Selected Human Resource practices on employees' turnover intention: The case of Africa Insurance Company: Addis Ababa*)

Please read this information before you start completing.

1. **Purpose:** The study is intended for academic purpose. Besides, the output of the study may help as an input for the organization for any improvement in the future.
2. **Confidentiality:** The records of this study will be kept private and stored securely. In the final reports, there will be no information included that will make it possible to identify you as a research respondent.
3. Put "√" mark in the box to the point which highly reflects your idea.

Part-1: General information

Direction: **Please put a check mark (√) on the appropriate box**

- | | | | | |
|-------------------------|----------------------|--------------------------|------------------------|--------------------------|
| 1. Gender | A. Male | <input type="checkbox"/> | B. Female | <input type="checkbox"/> |
| 2. Age | A. 18-29 | <input type="checkbox"/> | B. 30-40 | <input type="checkbox"/> |
| | C. 40-50 | <input type="checkbox"/> | D. Above 50 | <input type="checkbox"/> |
| 3. Educational level | A. Diploma | <input type="checkbox"/> | B. Degree | <input type="checkbox"/> |
| | C. Masters | <input type="checkbox"/> | D. Ph.D. | <input type="checkbox"/> |
| 4. Experience at AIC | A. Less than 1 years | <input type="checkbox"/> | B. 1-4 years | <input type="checkbox"/> |
| | C. 4-8 years | <input type="checkbox"/> | D. More than 8 years | <input type="checkbox"/> |
| 5. Monthly salary range | A. Less than 5,000 | <input type="checkbox"/> | B. 5,000-10,000 | <input type="checkbox"/> |
| | C. 10,000-15,000 | <input type="checkbox"/> | D. greater than 15,000 | <input type="checkbox"/> |

Part II: Perceptions about turnover intention

Listed below are different perceptions about turnover intention. Please indicate how strongly you agree or disagree with each statement by placing a **circle** on the number from 1 to 5, where it indicates: *where 1= strongly disagree, 2=disagree, 3= neutral, 4= agree, 5= strongly agree.*

NO	Turnover intention	1	2	3	4	5
1	I often think about quitting my job.					
2	I currently look for a job outside my organization.					
3	I will leave this organization if I could find a similar position at another organization.					
4	It is very possible that I will look for a new job within next year.					
5	If I may choose again, I will choose to work for the current organization.					

COMPENSATION AND REWARD:

NO	Compensation and reward	1	2	3	4	5
1	My compensation & reward I receive matches my work effort.					
2	The compensation and reward policy of the company is attractive to me					
3	The compensation and reward of the company is attractive when compared to the industry standard					
4	I am satisfied with the quality or quantity of the reward I have received so far					
5	AIC offers a better compensation and reward package as compared to other insurance companies in the industry					
6	Compensation & reward can be significant factors for me considering intention to leave					

TRAINING AND CAREER DEVELOPMENT:

NO	Training and Career development	1	2	3	4	5
1	My present job provides me with good opportunities to develop my career goals.					
2	There is sufficient career path for me in the company					
3	The company has provided me with sufficient trainings to improve my capacity					

4	I am satisfied with the quality or quantity of Training and Career development opportunities i have received so far.					
5	AIC offers a better Training and Career development opportunities as compared to other insurance companies in the industry					
6	Training and Career development opportunities in the company can be significant factors for me considering intention to leave.					

EMPLOYEE RELATIONS

NO	Employee relations	1	2	3	4	5
1	My working conditions are as safe as they can reasonably be					
2	I enjoy working with my colleagues going to work					
3	I have good working relationship with my supervisor					
4	AIC offers a better working condition and employees relations as compared to other insurance companies in the industry					
5	Relationship in the organization (both with employee and supervisors) in the company can be significant factors for me considering intention to leave.					

PERFORMANCE APPRAISAL; is a formal process where employees are given a defined expectation on what is expected in terms of performance from their employers and how they are expected to meet those expectations

NO	Performance appraisal	1	2	3	4	5
1	The feedback I receive on how I do my job is highly relevant					
2	The Performance appraisal policy of the company is attractive to me					
3	Performance appraisal policy of the company can be significant factors for me considering intention to leave.					