



**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**Executive MBA Program**

**EMPLOYEE TURNOVER AND ITS CAUSES IN  
DREAMLINER HOTEL**

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**ADDIS ABABA UNIVERSITY**  
**School of Graduate Studies**  
EMBA Program

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## **DECLARATION**

This Research project paper entitled —Employee Turnover and its causes in Dreamliner Hotel” is my original work and has not been presented for any award in this or any other University.

Signature: ..... DATE: .....  
Yonas Teferi  
GIS/918/06

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## **LIST OF ABBRIVATION AND ACRONYMS**

**DH** –Dreamliner Hotel

**BLS** – Bureau of labor statics US

## **ABSTRACT**

*Turnover poses a significant direct and indirect cost to organizations. Dream liner hotel isn't an exception in fact that its staff turnover rate hit 26% in 2014. Furthermore turnover has negative implication for the organization as it results in lower productivity, lower employee commitment, loss of experienced personnel and costs associated with learning curve for new employees. By employed casual survey research method the paper focuses on uncovering factors that influence turnover in the context of Dreamliner hotel. There were four factors that were identified and that were the main focus of this research paper. The first factor pertains to employee relation. This factor is related to dimensions like leadership style, availability of conflict resolution mechanisms, recognition for a job well done, implementation of succession plans, concern for the welfare of employees and the availability of for promotion. The other factor identified relates to extrinsic factors which encompass different areas like salary & benefit, food & allowances, the availability of transport pool for employees and medical insurance. There were also intrinsic factors that were identified and these factors include job satisfaction, target achievement, the need to achieve work experience and control over one's work. Finally career development factors were identified and this factor relates to the availability of career path, training, coaching, mentorship, and different types of skill advancement programs. The results revealed that there was an inverse relationship between employee relations, extrinsic factors, intrinsic factors and career development when compared against turnover. A progress in all those factors leads to improvement in turnover and change for the better towards retaining employees. Also results revealed that employee relation has the highest correlation with turnover followed by extrinsic factors, intrinsic factor and lastly career path development factors, so that the management of the hotel should come up with proper employee retention package to tackle the flow of their valuable resources.*

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. BACK GROUND OF THE STUDY

Employee turnover is the measurement of how long employees stay in a company and how often it can replace (Branham, 2000), the cost of losing an employee can range from 25 percent to 200 percent of that employee's salary. Some of the costs cited revolve around customer service disruption and loss of morale among other employees, burnout of other employees, and the costs of hiring someone new. Losing an employee is called turnover (Laura, 2012)

There are two types of turnover, voluntary turnover and involuntary turnover. Voluntary turnover is the type of turnover that is initiated by the employee for many different reasons. Voluntary turnover can be somewhat predicted and addressed in HR, that the focus of this Study. Involuntary turnover is where the employee has no choice in their termination—for example, employer-initiated due to nonperformance. (Laura, 2012)

In the United States of America (USA), (Smith, 2007) argued that businesses spend over USD 200 billion annually recruiting and replacing their employees. In the healthcare sector in USA for example, a report by (Meudell & Rodham, 2010) estimates that the turnover rate would reach a level of 29% in year 2020. Gustafson (2001) showed that the hospitality industry in the USA and elsewhere is experiencing a labor shortage with the high rate of turnover.

As per BLS (bureau of labor statics US) September 9, 2015 news release Total separations includes quits, layoffs and discharges, and other separations. Total separations are referred to as turnover. Quits are generally voluntary separations initiated by the employee. Therefore, the quits rate can serve as a measure of workers' willingness or ability to leave jobs. Layoffs and discharges are involuntary separations initiated by the employer. Other separations include separations due to retirement, death, and disability, as well as transfers to other locations of the same firm. There were 4.7 million total separations in July, edging down from June. The separations rate was 3.3 percent. The number of total separations edged down for total private and was little changed for government. Total separations decreased in July in arts, entertainment, and recreation (-38,000)

and in the West region (-184,000), but was little changed in the other industries and regions over the month.

In the United Kingdom (U.K), Overall Turnover Rates CIPD 2013 Survey In 2011, voluntary resignation rates were 7.9%, with a mean 10.1%. This compared to an overall turnover median of 12.5% and mean of 15.6%. The highest resignation rates were in the private sector employers, with a median of 9%, compared with 6.1% in the public sector.

Employee turnover statistics are being used by South African organizations to examine the impact turnover has on their operations. Managerial-level employees, especially those with scarce skills, are consistently being offered well-paying jobs globally and some of these offers are too attractive for them to resist (Capelli, 2009). Therefore, when managerial-level employees decide to resign or even when they are dismissed they contribute to an organization's turnover rate.

The causes of employee turnover may have been many but for this study I consider four causes for staff turnover that are intrinsic, extrinsic, career development and employee relation factors

### **1.1.1. INTRINSIC FACTORS AND STAFF TURNOVER**

Intrinsic factor refers to behavior that is driven by internal rewards. The psychological process that gives behavior purpose and direction in a purposive manner to achieve specified unmet needs (Locke, Gary& Latham, 1990). It's the internal drive to satisfy an unsatisfied need and the will to achieve (Ulrich 2007). Intrinsic motivation occurs when we act without any obvious external rewards. We simply enjoy an activity or see it as an opportunity to explore, learn, and actualize our potentials. (Coon&Mitterer,2010). Employees are intrinsically influenced by job satisfaction, achieving and exceeding targets, cohesive team work, challenging tasks and need to have control and freedom over assigned duties and responsibilities.

Intrinsic factors provides the reason why we perform certain activities for inherent satisfaction or pleasure derived in performing activities(Brown, 2007).. Essentially, intrinsic factors increases when there is a gap between an individual's actual state and some desired

state and there is an urge to reduce this gap. Intrinsic motivation is driven by an interest or enjoyment in the task itself, and exists within the individual rather than coming from external pressure (Malone & Lepper, 2007).

Employees can facilitate intrinsic factors by pursuing goals relating to their esteems.

### **1.1.2. EXTRINSIC FACTORS AND STAFF TURNOVER**

Extrinsic factors come from outside the individual. Common extrinsic motivators are rewards like money and grades, coercion and threat of punishment. Extrinsic factors can be internalized by the individual if the task fits within their values, beliefs and therefore helps to fulfill their basic psychological needs (Maslow, 1943). Internalized extrinsic motivation will facilitate positive outcomes that improve productivity and job satisfaction. The most important aspect is a combined strategy that will facilitate productivity, retention of staff within the cost structure of organizations. Extrinsic rewards on staff retention will provide an outstanding perspective on how management can implement a winning combination of extrinsic and intrinsic factors that will increase job satisfaction, productivity and reduce staff turnover.

### **1.1.3. CAREER DEVELOPMENT FACTORS AND STAFF TURNOVER**

Career development is a dynamic concept that covers the formal development of an employee within an organization by providing long term strategy. It's a growing concern for undertaking need analysis in terms of (career growth and awareness) coaching, training and mentorship for leadership (Kelly, 2012). Effective career development determines the quality of work force and success of organizations (O'Donnell, 2007). Employee commitment (Grawitch et al 2006) in terms of ownership for both career and ongoing development through Individual Development Plan (IDP) and continuous learning process will increase job satisfaction and a sense of ownership in execution of employee's duties. The long term implication on employees will be job satisfaction, succession and higher retention. External and internal skills development is a prerequisite condition for advancement opportunities and there must be relevant feedback to increases productivity and decreases turnover.

#### **1.1.4. EMPLOYEE RELATIONS FACTORS AND STAFF TURNOVER**

Employee Relations otherwise called retention policies covers employee welfares, conflict resolutions, promotions ,recognitions, leadership, communication styles, succession plans, industrial relations and employee participation in decision makings. Performance management (Armstrong ,2009) being the epitome of conflicts in organization are very critical since it covers interactions between management and employees, collective bargaining agreements which should be reviewed and integrated to reduce staff turnover

### **1.1.5. MODERN HOSPITALITY INDUSTRY IN ETHIOPIA**

Back in the days of the emperor Menelik II, Addis Ababa was able to open the first modern hotel called Etege Taitu Hotel, named after Empress Taitu (1851-1918), the wife of Emperor Menelik II On August 1905 in the heart of Addis Ababa. (Taituhotel, website, 2015)

The famous 13 months of sunshine motto by the bold figure Habteselassie Tadesse, he was a minister of tourism during the imperial regime. His motto until replaced new motto “the land of origin” served in promoting Ethiopia was launched during the time of Emperor Haile Selassie I, Behind Branding the Ethiopian truism it also cultivate the hotel industry. It was that time which gave opportunities for many local as well as international brands like the Hilton to come into the play until the Derg seized power. Before the military took over the government, Bekele Mola Hotels, Ghion Imperial Hotel, Wabi Shebelle Hotel, Ras Hotel, Ethiopia Hotel, Omedad Hotel and the likes were rising in the capital and regional cities.(Different hotels, website 2015)

There are a number of factors which had deterred the development of hospitality private sector throughout the 17 years of military rule. Even Most private sector holdings were nationalized; one best example to be cited from the hotel business was Omedad Hotel. It was built and operated by private owners before being nationalized. These sorts of measures and the maximum capital ceiling placed on the private sector made it difficult to own and operate hotels in the country at that time. Half a million was the limit set for investors by the socialist government.

After the fall of military rule in 1991, Government give a series incentive to attract local and foreign investor in the country thus, hotel industry is also in the upper top priority list of the government. According the Ministry of Culture and Tourism (2015), currently, the total number of hotels both privately owned and those belonging to the Government in Ethiopia are around 460. But the absences of regulation on grading, some industry players were seen manipulating the industry. Across the city, to the layman’s understanding, many hotels give themselves star ratings perhaps for other commercial purposes. When they found out that the hotel business is the ideal one to venture on, easily labels the building with hotel flags and start rates. (EMoCT, website, 2015)

According to officials of the ministry, the hotel rating system is introduced in the industry couples of weeks ago after long debate with the industry owner, the ministry rated and give grade for 68 hotels

cited in Addis Ababa based on its predefined standard awarded four five star, thirteen four, star twenty five three star nineteen two, star and seven hotels one star with it plan to continue the hotel rating in the capital as well as regional city. (EMCT, website, 2015)

## **1.2. STATEMENT OF THE PROBLEM**

For organization especially in the service giving sector its employees are key and vital organizational resources which necessitate proper management to handle and maintain it. So, Employee turnover is significant to organization, individuals and management. From the organizational perspective, employee turnover represents a significant direct cost in terms of recruiting, poor production practices and reduced standards as well as high replacement and training costs (Hiemstra, 1990). Subsequently, Fair (1992) suggests that, there are other costs associated with labour turnover which include separation costs (exit interviews and severance pay), recruitment costs (advertising and search fees), selection costs (interview and reference checking), hiring costs (induction and initial training), relocation expenses, uniforms and lost productivity costs associated with both the unfilled vacancy and the learning curve associated with the new employee. Indirect costs however are associated with decreased levels of employee motivation, absenteeism, tardiness leading to customer dissatisfaction and ultimately customer defection (Fair, 1992).

Therefore, there is need to develop a fuller understanding of the employee turnover, more especially, the causes what determines employee turnover, effects and strategies that managers can put in place minimize turnover. With globalization which is heightening competition, organizations must continue to develop tangible products and provide services which are based on strategies created by employees. These employees are extremely crucial to the organization since their value to the organization is essentially intangible and not easily replicated Meaghan et al. (2002). Managers should control employee turnover for the benefit of the organization success not the wellbeing of the employee.

In the hotel industries, organizational performance is directed towards the key values of the organizations. The level of performance in hotel industries includes the degree to which what is done is effective and appropriate for the individual hotel customers; and the degree to which it is available in a timely manner to customers who need it. These comprise of indicators of efficient and effective job performance in hotel industries. For instance, a hotel is effective when it successfully

meets the needs of its customers such as customer satisfaction, quality of customer service delivery, reduction of customer grievance, etc. But these effectiveness criteria's are affected by turnover.

It is difficult for hotel industries to operate smoothly and to attain their objectives if employees fail to report to their jobs. Turn over aggravates the problem of inadequate staffing, which affects quality of service delivery, customers' safety and length of stay, etc. Organization has plans to serve the number of customers daily based on the employees' number it has. So if turnover occurs hotel loses its reputation and also customers cannot be treated as expected. Losing the critical employees (knowledgeable (qualified) and experienced personnel) that it doesn't want to lose negatively affects the productivity (effectiveness) of service delivery which in turn leads to loss of customers, operational disruption, etc. In addition, when organization drained of expertise the morale of the remaining employees will also be negatively affected.

Employee turnover is an endemic issue in hospitality industry, worldwide. Employee turnover intention acts as a proxy for actual employee turnover. Being in customer service business, hospitality industry capitalizes heavily on its human resources to achieve its competitive advantage. Hospitality industry is a highly guest service-oriented business, where the interaction between employees and guests largely determine the quality of the services. The hospitality industry is highly labour-intensive, the effective utilization of human resources can give an organization its competitive edge. (Franck, 2015)

This study consider Dreamliner as case study because it employee turnover rate hit 26% in 2014.(DH annual report,2014) including the general manager. Attracting and retaining great talent can seem like a never ending quest; one that can be made all the more challenging if you don't have a handle on employee turnover in your organization. (Gallant, 2013)

### **1.3. PURPOSE OF THE STUDY**

The purpose of the study is to identify the possible level of factors causing high staff turnover in Dreamliner Hotel. Considered, as one of the leading four-star hotels in Addis Ababa funded by

Captain Mulat lemelemayehu under MTDN Plc. Dreamliner Hotel is recognized for its high standards in facilitating grandiose accommodation, dining services, and other amenities. Embracing the cultural traditions of Ethiopian hospitality, the Dreamliner Hotel embodies a new attitude towards traveling.

The hotel features 96 extra-comfortable Rooms, three Restaurants, two Bars, four conference halls which can accommodate 40 - 300 persons, fitness center, business center, and two basement parking. Dreamliner has more than 180 employees according to documentations. (Dream liner,website, 2016). To capacitate human resource, and equip its employees, the hotel has made fundamental progress on human resource training and development program. To achieve mission and vision of the hotel, employees are offered different training programs. Short and long term training and development programs are given to the employees. However, even though the organization makes an effort on training of employees, because of multiple reasons educated and skilled employee of the other organization are leaving their job and most of them join other similar institutions.

Ephrem Degafu, HR Manager of Dreamliner, each year on average 35-40 employees leaves their job, which is a huge man power shortage for the hotel.(DH annual report,2014) \_When employees with their skills and knowledge leave the organization, it reduces the quality of the service of the organization, hamper moral of the remaining employees, force the organization to huge amount of financial lose, and even increase work load to the remaining workers‘ Million said. \_In short, effective achievement of organizational objectives and the overall competitive advantage of any institution will depend a lot on the performance of its human resource‘ he further said.

#### **1.4. RESEARCH OBJECTIVES**

- To identify if the level of turnover in DH varies depending on Intrinsic, Extrinsic, Employee Relation & Career Path Development factors of employees

#### **1.5. RESEARCH QUESTIONS**

- What is level of Intrinsic factors contribution to employees‘ turnover in DH?

- What is level of Extrinsic factors contribution to employees' turnover in DH?
- Does turnover in DH vary depending personal characteristics (gender, age, educational level, position) of employees?
- How significant is career development and employee relation factors in influencing staff turnover in Dreamliner Hotel?

### **1.6. SIGNIFICANCE OF THE STUDY**

The study may be used in policy formulation and decision making at different levels. The management of the Hotels will use the information to benchmark their employment packages and policies to remain attractive and competitive to attract talents. Employees will be interested in making long term employment decisions

### **1.7. SCOPES OF THE STUDY**

The scope of this study is on Dreamliner Hotel which is located in Addis Ababa, Ethiopia. The study used causal survey method and conducted during October 2015 to March 2016. Questionary used as data collection tools and response was gathered from the employees of Dreamliner Hotel during survey period. The study aims to determine level factors that lead or encourage employees to leave the organization.

### **1.8. LIMITATION OF THE STUDY**

There were some unavoidable limitations that were encountered while conducting the research. First because of time limit the research was conducted only on the current employees of Dreamliner Hotel. Hence employees that were once employed by the hotel and who have departed the organization weren't included in this research. Therefore the results of this research reflect on factors that are more likely to cause turnover for the current employees of the hotel.

## **CHAPTER TWO**

### **2. LITERATURE REVIEW**

#### **2.1. INTRODUCTION**

The chapter provides a review of some literature in the area of employee turnover. The themes of the research are developed from the theoretical and empirical reviews that are relevant from the variables. So, the chapter is structured into empirical reviews on variables and theoretical framework that will facilitate the development of conceptual framework and knowledge gap.

#### **2.2. STAFF TURNOVER**

Staff turnover may be defined as permanent departure (Armstrong, 2009) of employee beyond organizations boundaries. It's the flow of manpower out from and into organization (Testa, 2008). Much of this movement is undesirable and a reflection of unrest, unnecessary or at least unwanted cost. Human Resource context, turnover or staff turnover is the rate at which an employer loses employees (Skabelund, 2008).

Turnover costs are two dimensional namely real and opportunity costs. Real costs involve leaving, replacement, transitions, and selection and recruitment costs. Opportunity costs of turnover are lost productivity, reduced performance levels, unnecessary overtime and low morale (Costello, 2006). The true cost of turnover depends on a number of variables including ease or difficulty in filling the position and the nature of the job by itself. Voluntary turnover can either be dysfunctional or functional. Dysfunctional is where the individual wants to leave the organization but the organization prefers to retain the individuals whose skills are deemed very important and strategic to competitors. It is functional where the organization is unconcerned about employee's departure. Management views voluntary turnover undesirable since it's unplanned and negatively affects operations. Involuntary turnover is an indication of some undesired situations like disciplinary and economic discharge (Lee, Gerhart, Weller & Trevor, 2008).

Certain levels of turnover is fruitful to organizations especially where redundant and unproductive employees whose benefits of replacement or non-replacement is more than the cost of leaving. The employer will redefine the position of the departed employee in line with the business requirements, or abolish the position with the advantage of reducing the staff

establishment. Employers will also use such opportunities for internal promotions thus raising the morale of hardworking employees (Lehndorff, 2006).

However high staff turnover has detrimental effects on productivity, succession and strategy implementation on organizations (Testa, 2008). Indicators of staff turnover includes; job advert placements in the media, level of service gaps, documented exit interviews, recruitment and training expenditures on newly recruited employees who replaced the departed ones. Turnover is often utilized as an indicator of company performance and can easily be observed negatively towards the organization's efficiency and effectiveness (Glebbeck & Bax, 2004). Employee turnover is a natural outcome of doing business, yet it is harmful to an organization in large quantities, so it should be kept at minimum level.

Organizations can utilize turnover to change the composition and diversity of its employees through terminating poor performers, allowing for internal promotion, and hiring new employees with innovative ideas. New employees often bring positive inputs if turnover is handled correctly (Werbel & Bedeian, 2009). The turnover level rates can be used for both internal and external comparisons for both trend analysis for future improvement. The level which staff turnover has to reach in order to inflict measurable damage to an employer is subjected to debate (Derek et al 2002). However some industries can sustain successful business with high turnover rates as compared to other sectors (Capelli, 2000). Staff turnover can be measured and turnover index calculated on monthly, quarterly, semiannually or annually. Turnover index sometimes referred to as the employee or labor wastage index, shows the employee or labor wastage rate (Armstrong, 2009).

### **2.3. INTRINSIC FACTORS AND STAFF TURNOVER**

Intrinsic factor refers to behavior that is driven by internal rewards. It is the psychological process that gives behavior purpose and direction in a purposive manner to achieve specified unmet needs (Locke, Gary & Latham, 1990). It's the internal drive to satisfy an unsatisfied need and the will to achieve (Ulrich 2007). Intrinsic motivation occurs when we act without any obvious external rewards. We simply enjoy an activity or see it as an opportunity to explore, learn, and actualize our potentials. (Coon & Mitterer, 2010). Employees are intrinsically influenced by job satisfaction, achieving and exceeding targets, cohesive team work, challenging tasks and need to have control and freedom over assigned duties and responsibilities.

Intrinsic factors provide the reason why we perform certain activities for inherent satisfaction or pleasure derived in performing activities (Brown, 2007). Essentially, intrinsic factors increase when there is a gap between an individual's actual state and some desired state and there is an urge to reduce this gap. Intrinsic motivation is driven by an interest or enjoyment in the task itself, and exists within the individual rather than coming from external pressure (Malone & Lepper, 2007).

Today's employees are unwilling to stay with employers for lengthy periods of time unless they have control and freedom over their work (Stairs, et al 1991). Work environment therefore requires a lot of intrinsic factors that can influence higher retentions. Intrinsic factors are internally generated by employees and this includes goal directedness, human volition or free will, job satisfaction and desires. It is the internal factors that employees can control (Fritz, Heider's, Bandura's, Deci & Ryan's 1985).

Employees can facilitate intrinsic factors by pursuing goals relating to their esteems. When performance feedback is available (Armstrong, 2005) control is maintained, cooperation, competition and recognition is enhanced and instilled in all the activities and tasks achieved. These events perceived as salient will determine the level of autonomy, competence and ultimately influence intrinsic factors (Horn, 2008). This autonomy and control is what current employees find more exhilarating in today's employment.

Psychologist (Deci, 1975) demonstrated how external consequences influence intrinsic motivation, the theory focused on how competence and autonomy is influenced by external behavior. Management can positively enhance events like issuing an award for a job well done, certificates of performance so that intrinsic factors are improved. Similarly actions perceived to diminish intrinsic motivation should be shunned in an organization (Deci & Ryan 1985).

Feedback mechanisms during performance management provide a positive force in improving intrinsic factors that will later influence staff retention. The rewards and incentives (Fehr & Falk 2002) attached to performances have favorable implications on intrinsic factors. Long term effects rather than short term perspective must be considered to avoid detrimental implications on intrinsic factors and retention (Hidi & Harackiewicz, 2000). Elements for arguments include comprehensive understanding of the relationship of intrinsic and extrinsic factors on employee relations and expected payoff between performance and monetary compensation (Vansteenkiste, Lens & Deci, 2006)

## **2.4. EXTRINSIC FACTORS AND STAFF TURNOVER**

Extrinsic factors come from outside the individual. Common extrinsic motivators are rewards like money and grades, coercion and threat of punishment. Extrinsic factors can be internalized by the individual if the task fits within their values, beliefs and therefore helps to fulfill their basic psychological needs (Maslow, 1943). Internalized extrinsic motivation will facilitate positive outcomes that improve productivity and job satisfaction. The most important aspect is a combined strategy that will facilitate productivity, retention of staff within the cost structure of organizations. Extrinsic rewards on staff retention will provide an outstanding perspective on how management can implement a winning combination of extrinsic and intrinsic factors that will increase job satisfaction, productivity and reduce staff turnover.

Rewards must match achievement and competencies such that training, mentorship and skills enhancement will improve productivity and facilitate retention. Reward systems that are performance based and feedback oriented increases employee's morale, satisfaction, loyalty hence improved retention and ultimately low staff turnover. Empirical reviews (Meudell and Rodham 1988) have revealed that extrinsic factors like competitive salary, job security, interpersonal relations and conducive environment were cited by employees as key motivational variables that influenced their retention in the organizations. The desire for money, fame, and attention or the wish to avoid punishment is every individual wish and behavior is skewed towards this direction.

The implication is that management shouldn't rely on intrinsic factors alone to motivate and retain employees; instead a combination of both intrinsic and extrinsic variables should be considered as an effective retention strategy. The hierarchical needs according to (Maslow's, 1943) should be packaged and tailor made such that extrinsic and intrinsic factors provides an effective complimentary HRM practices are attractive in the labour market.

## **2.5. CAREER DEVELOPMENT FACTORS AND STAFF TURNOVER**

Career development is a dynamic concept that covers the formal development of an employee within an organization by providing long term strategy. It's a growing concern for undertaking need analysis in terms of (career growth and awareness) coaching, training and mentorship for leadership (Kelly, 2012). Effective career development determines the quality of work force and success of organizations (O'Donnell, 2007). Employee commitment (Grawitch et al 2006) in terms of ownership for both career and ongoing development through Individual Development

Plan (IDP) and continuous learning process will increase job satisfaction and a sense of ownership in execution of employee's duties. The long term implication on employees will be job satisfaction, succession and higher retention. External and internal skills development is a prerequisite condition for advancement opportunities and there must be relevant feedback to increase productivity and decrease turnover.

Employees Performance has a direct correlation with organization performance. HRM practices must efficiently develop environment suitable for developing professionals that will be retained for strategy implementation. Instances that decrease motivation will increase dissatisfaction and staff turnover. Talent management process according to (Munyendo, 2012) must identify actual and potential talents for the betterment of both individual and organizations. Ernst & Young survey (2014) recommended that frameworks for self-development, training programs and career progressions must develop future skills necessary for value addition. Human Capital remains the most critical and sensitive resource to any organization, management must invest on employees to facilitate their dynamic and integral functions (Price, 2007).

Organizations must undertake need analysis, evaluate trainings (Bramley, 2003) identify individual's gap, provide coaching and mentorship for succession purposes. Management and supervisory development programs (Cifalino & Baraldi 2009) must be directed towards career developments. These programs include decision making, team work and entrepreneurial skills which are crucial in talent nurturing. These will create optimum path (Hassan & Yayub 2010) necessary for solving employee's needs and fostering commitment. Perception of training and development of employees must change so that it is no longer viewed as a cost centre but as an investment to be evaluated alongside investment in capital equipment.

## **2.6. EMPLOYEE RELATIONS FACTORS AND STAFF TURNOVER**

Employee Relations otherwise called retention policies covers employee welfares, conflict resolutions, promotions ,recognitions, leadership, communication styles, succession plans, industrial relations and employee participation in decision makings. Performance management (Armstrong ,2009) being the epitome of conflicts in organization are very critical since it covers interactions between management and employees, collective bargaining agreements which should be reviewed and integrated to reduce staff turnover. The relationship of performance

management and staff turnover has been described as having positive correlation especially where management hasn't observed fairness and objectivity in rewarding employees based on performance (Allen, 1999).

Relationship management entails aspects that satisfactorily enhances productivity, motivation, human relations that are value addition and conducive for employees (Cole, 1991). Employee relations is a common title for the industrial relations function within personnel management. HRM practices still asserts that human capital remains the most sensitive resource for any organizational survival (Bernardin, 2003). The term underlines the fact that industrial relations is not confined to the study of trade unions but embraces the broad pattern of employee management, including systems of direct communication, leadership styles and employee involvement in decision making (Crowling, 2009).

Organization with attractive retention policies (Ulrich, 2007) can reduce recruitment costs associated with high staff turnover; this will enhance productivity and performance. Poor employee relations (poor leadership styles, aggressive communication, and poor working conditions) will negatively affect the realization of organization and individual goals. Rewarding employees both at the individual or group levels for their performance and acknowledging their contributions to the organization's mission is a fundamental. Basic principles of effective management allow behavior to be controlled by consequences. Impartiality, performance and objectivity must be employed in rewards and punishments rather than nepotisms, tribalism and corruption in the current employment sectors.

Performance linked with pay decisions, promotions and recognitions will automatically boost employee's morale and improve retention rates. Payments based on performance are effective in motivating employees since they are feedback oriented. Recognition, rewards and a sense of achievement are central to the motivation process (Herzberg, 1959). Managers need to address ways in which they reward staff, as each member is different and will react in different ways to reward and recognition. Consistency and fairness in distribution is important and managers also need to be conscious of de-motivation (Holbeche, 1998) since organizations are increasingly becoming "flatter" structures. Reward systems must motivate rather than de-motivate employees.

Pay structures must be moderated and the gap between subordinates and management bridged to decrease inequality (Khalumba, 2012). Employees' gossips on payment of peer workers has detrimental impact on motivation and is regarded as morale killer especially where Higher

performers receives inferior rewards compared to their co-workers especially after industry benchmarking. Equity theory on job motivation (Adams, 1963) acknowledges that fair treatment in terms of equitable distribution of resources in organizations is very imperative since it's viewed as the single most cause of conflicts. Internal and external comparison has triggered the feelings of dissatisfaction and demoralization resulting to employee's intention to search for greener pastures. HRM practices would be tested in connection with staff turnover (Teleema & Soeters 2006).

The conventional view is that a manager's plan for strategy implementation should incorporate more positive than negative motivational elements because when co-operation is positively enlisted and rewarded, people tend to respond with more enthusiasm and effort (Sampson, 1973). Inspirational leadership, proper communication, management by objectives, appreciation and feedback to employees are still considered key in improving relations and retention policies. To get employees retained, management must rely on motivation incentives as a tool for implementing strategy, the greater will be the employees' commitment, performance and higher retention.

## **2.7. EFFECTS OF EMPLOYEE TURNOVER AND SEPARATION**

Employee turnover and separation can have detrimental effects on clients and remaining staff members who struggle to give and receive quality services when positions are vacated and then filled by inexperienced personnel. Also, high rates can bring about client's mistrust and discourage workers from remaining loyal to the organization or even those seeking to enter it.

Additionally, labor turnover is costly and unproductively time consuming, and it is responsible for the early cycle of recruitment employment orientation production, resignation that is detrimental to the reputation of organizations which are entangled in it (Yared (2007).

### **2.7.1. LOSS IN PRODUCTIVITY**

Higher rate of labor turnover has the tendency to bring about low productivity where employees are aware that their position is not secure. For instance employees who are not under intense supervision devote much productive than those intense supervision (Tim & Bruce, 2008).

### **2.7.2. LOW LEVEL OF COMMITMENT**

Job security takes away the fear which prevents total commitment of employees to the organization. The employment security debate rest upon the crucial question of how much value the company places on stability of employment within its overall philosophy. Whether organizations really believe that job stability gives the business a competitive advantage is determined by their rates of labor turnover, obviously, where job insecurity is the order of the day, employees tend not to give off their best at the workplace as they mostly live in fear of losing their job (Henry, 2007).

### **2.7.3. HIGH TRAINING AND RECRUITMENT COSTS**

Once new employee come on board, they could have to go through the company's laid down training, orientation/induction programs. These activities are organized at an extra cost to the organization depending on their frequency. However, with a low rate of labor turnover, a greater percentage of this cost could be avoided (Henry, 2007).

### **2.7.4. LOSS OF EXPERIENCED AND SKILLED PERSONNEL**

Labor turnover results in the loss of some of the very experienced and skilled employees. This adversely affects the organization since quality of output tends to suffer. it will therefore, take some time for new employees to have control over their respective roles whereas existing employees would not have to go through that process. In terms of output however, it is the organization that losses.

### **2.7.5. LOSS OF CONFIDENCE**

When labor turnover rates becomes so alarming the public will began to lose confidence in the operation of the organization. The future or survival of the organization will be in doubt to the public once they see employees moving in and out or quit the organization. In addition to this loss in public confidence can bring a problem in getting of qualified employee to replace those left the organization. This is obvious because it is the employees who demonstrate what the organization represents through the delivery of quality output or service to the public. And if these same employees have uncertain future in the organization then eyebrow will surely be raised (Henry, 2007).

### **2.7.6. THEORETICAL FRAMEWORK**

The two factors (Herzberg's 1964) also known as Herzberg's motivation-hygiene and dual-factor theory has perspective framework of factors causing job satisfaction and dissatisfaction at the work place. Most fundamental aspect is how these factors functionally be applied by HRM practices to influence attitudes towards administration such that gratification of higher-level psychological needs (Yayub & Hassan, 2010) impacts on staff retention. These are independent continuum and parameters should be pertinently formulated to operationalize intrinsic, extrinsic, career development and employee relations for the dual advantage of organizations and employees

True motivators are, job satisfaction, achievements, recognition, challenging tasks, delegation of power and authority through responsibility, freedom and control during execution of tasks and duties. Management can perfect Herzberg's argument by enabling a working condition that increases intrinsic and career development factors through training, mentorship, academic and professional sponsorships to enhance skills and eventually improve on productivity and retention. Job enrichment, specifications and evaluations will increase job satisfaction with employees increasing control and freedom at the work place. Management by objectives, performance management, employee participation and ownership into organizations processes and strategies will increase employee's commitment and feedback that influences intrinsic factors and retention.

Hygiene factors include fringe benefits, competitive salaries, job security, relationships, fair treatment, access to information, mutual relationship and improved working conditions. These will foster trusts, commitments (Aryee & Chen 2002) that are critical in management of organizations affairs. Their absence causes dissatisfaction and therefore organizations must package hygiene and motivators factor to increase extrinsic and retention policies ((Rahman & Nas 2013) to maximize employee performance and retention. Fairness and distributive justice (Strathford, 2012) must be incorporated in policies, leadership, promotions, rewards and punishments and additional perspective of comparison with 'referent' to employees (Hodgetts & Hegar, 2008) must remain the principle and practice of management in today's human resources functions.

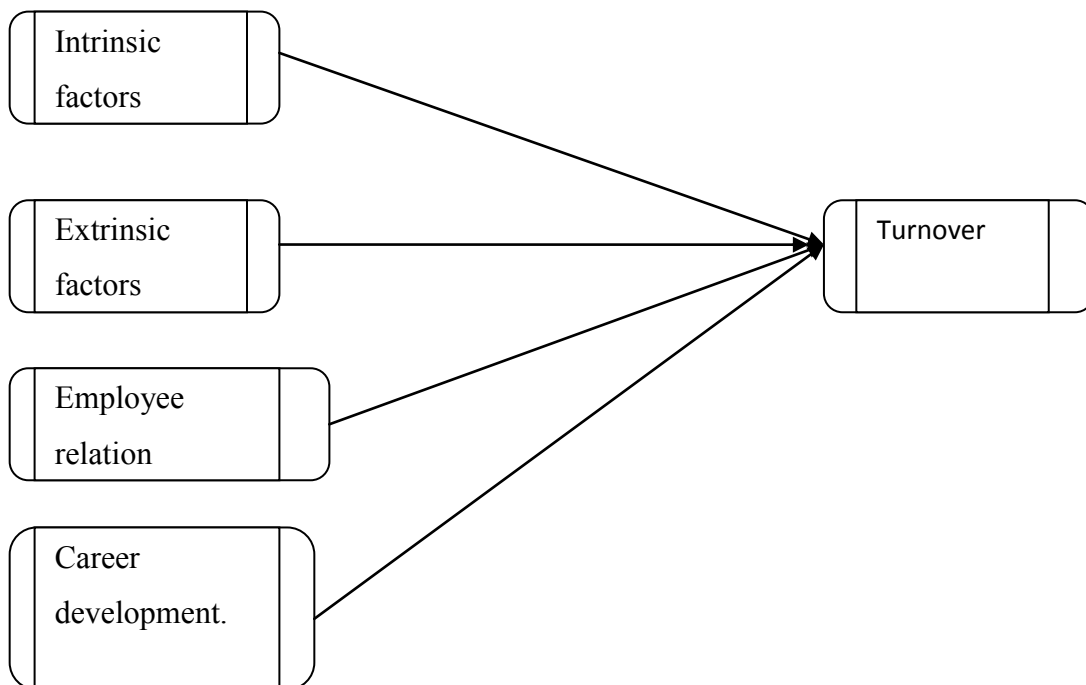
### **2.8. CONCEPTUAL FRAMEWORK**

A number of conceptual models have been proposed to examine job tenure and turnover (Lok & Crawford, 2001; Mathieu & Zajac, 1990; Price, 2000; and, Tett & Meyer, 1993). In this paper, I

hypothesize that job tenure of DH is influenced by (1) extrinsic rewards of their job (e.g., wages and fringe benefits); (2) training and career development (e.g., initial training and mentoring); (3) employee relation (e.g., conflict resolution); (4) Intrinsic (e.g., Job satisfaction), in that employees turnover is taken as a dependent variable (DV) and workload, work stress, employee salary, and job satisfaction conflict are taken as an independent variable.

The dependant variable, employee turnover, can be explained by the independent variables; Intrinsic factors, Extrinsic factors, Employee relation, and career development. One or combination effects of independent variable leads to turnover.

**Figure2.1 conceptual framework**



## **2.9. KNOWLEDGE GAP**

It is difficult to define all possible reasons and the most promising reasons for staff turnover in the Hotel. This research is first of its kind in studying the Hotel sector from staff turnover point of view through intrinsic, extrinsic, career development and employee relations factors. These will reflect the exact condition of staff turnover and related factors causing staff turnover in the Hotel hence a scope for research in the sector. A gap exists in empirical knowledge on how HRM practices can be utilized in improving retention.

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

#### **3.1. INTRODUCTION**

This chapter outlines the overall methodology that was used in the study. This includes the research design, target population, sampling procedures, data collection methods, data analysis and presentation.

#### **3.2. RESEARCH DESIGN**

The study employed a casual survey research design to establish factors influencing staff turnover in Dreamliner Hotel. Creswell and Vicki (2007) describes quantitative research as one in which the investigator primarily uses post positivists claims for developing knowledge (cause and effect) by use of specific variables, hypothesis and questions to yield statistical data. The design seeks to capture both qualitative and quantitative aspects of the study (Zikmund, Babin,Carr& Griffin,2009).

#### **3.3. TARGET POPULATION**

Target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions (Trochim, *et al.*, 2006). The target population is 150 employees in Dreamliner including departments and the General Manager.

#### **3.4. SAMPLING PROCEDURE AND SAMPLE SIZE**

Sampling means selecting a given number of subjects to represent the population. Any statements made about the sample should also be true of the population (Orodho, 2003).The target population was divided into strata according to functional departments, thereafter sample size determined by applying (Cooper & Schindler, 2003) formula. Simple random method used to distribute the questionnaires.

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

Where: n= Sample size, N= Population size e= Level of Precision.

At 95% level of confidence and P=5,  $n = 150/1 + 150(0.05)^2$  n = 108

### **3.5. RESEARCH INSTRUMENTS**

These are the fact finding strategies. They are the tools for data collection. They include Questionnaire, Interview, Observation and Reading. Essentially the researcher must ensure that the instrument chosen is valid and reliable. The validity and reliability of any research project depends to a large extent on the appropriateness of the instruments. Whatever procedure one uses to collect data, it must be critically examined to check the extent to which it is likely to give you the expected results (Godfred, 2016), I used questioners as my data collection tools.

#### **3.5.1. QUESTIONNAIRE**

This is a data collection instrument mostly used in normative surveys. This is a systematically prepared form or document with a set of questions deliberately designed to elicit responses from respondents or research informants for the purpose of collecting data or information. It is a form of inquiry document, which contains a systematically compiled and well organized series of questions intended to elicit the information which will provide insight into the nature of the problem under study. (Godfred, 2016) Closed and open ended questions will be used to capture both qualitative and quantitative aspects of the research since they are easy to analyze. Likert (1932) scale was used to determine if the respondent agreed or disagreed in a statement. They are also easy to administer because each item is followed by an alternative answers and is economical. Self-administered questionnaire is the only way to elicit self-reports on people's opinion, attitudes, beliefs and values (Sproul, 1998).

#### **3.5.2. VALIDITY AND REIABILITY**

In order to proceed with any statistical test, it is crucial for researcher to check the validity of the instrument used. Validity of the scale can be measured qualitatively, as well as, quantitatively. For instance, face validity or content validity of the instrument is more qualitative in nature than

quantitative (Parasuraman et al., 1988). Content validity assures if a particular item measures what it is supposed to measure. As the items in the presented study are adapted from a well-established study, in the present study, the content validity of the scale was established.

The researcher has used the factor analysis with the principal axis factoring as the extraction method and Varimax for the rotation method with Kaiser Normalization. Factor analysis was employed for all variables with multi-item scales. Before employing factor analysis a KMO and Bartlett's test were conducted to ensure sample adequacy for factor analysis. The KMO revealed a result of 0.682 and Bartlett's test of sphericity returned a chi square value of 674.599 at  $p < 0.01$  indicating that correlation between items were significantly large for carrying principal axis factoring.

For the factor analysis procedure principal axis factoring with eigenvalue greater than or equal to one and varimax rotation methods were employed. Before choosing to prompt for varimax rotation a direct oblimin rotation was used to see if any significant relationship between factors existed. All of the correlation between factors were below 0.2 were deemed poorly correlated. The factors extracted for each of the scales, which had factor loading value greater than 0.4, were used in a subsequent analysis. Items with factor loadings of less than 0.4 were excluded from further analysis.

There were six factors that were selected and these factors explained 60.14% of variance in the data set. The variables were then grouped to each factor on which they loaded on and then the researcher looked for common themes that were reflected by the grouping of the variables into factors.

The grouping of variables into factors reflected six themes: career path development, employee relations, extrinsic factors, job facet retention factors and intrinsic factors.

A Cronbach Alpha reliability test was conducted after factor analysis for each factor groupings and also the effects of removing a variable on the Cronbach Alpha was assessed. The job facet factor includes dimensions like employees perception of welfare, job security and job autonomy. Because this factor had a Cronbach Alpha below 0.7, it was not included in the subsequent analysis. The results of the Cronbach Alpha as well as the results of the factor analysis and grouping of variables into common themes are shown on table 3.3.

**Table 3.3: Factor Analysis**

<b>Factor</b>	<b>Factor Loading</b>	<b>Cronbach Alpha if item is deleted</b>	<b>Common Theme</b>
<b>Factor 1 Cronbach Alpha (.877)</b>			
Availability of Conflict Resolution Mechanisms	.703	.859	<b>Employee Relation Factors</b>
Recognition for a job well done	.696	.857	
Leadership Style	.760	.855	
Assertive Communication Within Organization	.783	.858	
Succession Plans within Organization Structures	.736	.860	
Proper Employee Welfare	.547	.866	
Need of Promotion	.646	.856	
<b>Factor 2 Cronbach Alpha (.878)</b>			
Lack of career path	.617	.895	<b>Career Development Factors</b>
Training for higher responsibilities rating	.816	.845	
Coaching, Mentorship for success	.857	.834	
Professional Networking within the hotel	.733	.858	
Seminars, Conferences for skill advancements	.811	.845	
Academic and Professional Sponsorship	.786	.849	

<b>Factor 3 Cronbach Alpha (.795)</b>			
Salary and Benefits	.572	.761	<b>Extrinsic Factors</b>
Job Security	.488	.785	
Transport Facility	.724	.769	
Medical Insurance	.672	.732	
Food and Other Allowance	.762	.730	
<b>Factor 4 Cronbach Alpha (.775)</b>			
Target Achievement	.659	.715	<b>Intrinsic Factors</b>
Control and Freedom Over Your Work	.545	.751	
Team Work	.648	.733	
Job Satisfaction	.746	.709	
The Need to Achieve Work Experience	.630	.759	
<b>Factor 5 Cronbach Alpha (.717)</b>			
Rate of Turnover	.539	.654	<b>Turnover Indicators</b>
Would you consider a career change	.493	.774	
Proper Employee Welfare	.505	.582	
Need of Promotion	.568	.526	
<b>Factor 6 Cronbach Alpha (.546)</b>			
Control and Freedom Over Your Work	.425	.436	<b>Job Facet Factors</b>
Job Security	.498	.261	
Proper Employee Welfare	.470	.600	

### 3.6. DATA ANALYSIS AND PRESENTATION

The data obtained through questionnaire was organized, coded and analyzed by using SPSS software version 20.0. Both descriptive (frequency, cross tabulation and charts) and inferential (chi-square, independent t-test, one way ANOVA and correlation) statistical methods were performed

### 3.7. OPERATIONALIZATION OF VARIABLES

#### A) Dependent Variable

Turnover is defined as measurement of how long employees stay in a company and how often it can replace.

**Table 3.1 Operational definition of dependent variable**

<b>VARIABLE</b>	<b>DEFINITION AND MEASURE</b>
<b>Turnover</b>	It is related to the organization's rate of turnover, consideration of career change by staff members, degree of availability personnel welfare and need for promotion. It is measured using a rating scale of very high, high moderate and negligible.

Source own literature

#### B) Independent Variable

The following are independents used in this study:

**Demographic Characteristics:** This refers to gender, age, education level, and position.

**Predictor factors:** This refers to career path development, employee relation, extrinsic factors, intrinsic factors and job facet.

**Table 3.2 Operational definition of independent variables**

<b>VARIABLES</b>	<b>DEFINITION AND MEASURE</b>	<b>EXPECTED EFFECT ON TURNOVER</b>
Career Path Development	It is related to availability of clear path to career development, training, coaching & mentorship for succession, professional networking, seminars & conferences for skill development, academic and professional sponsorship. It is measured using scale of strongly agree, agree, disagree and strongly disagree.	-
Employee Relations	It related to leadership style, availability of conflict resolution mechanisms, recognition of job well done, assertive communication in the organization, succession plans within the organization, employee welfare and the need for promotion. It is measured using a rating scale of very high, high moderate and negligible.	-
Extrinsic Factors	It is related to salary & benefits, transportation facility, medical insurance, food and other allowances It is measured using a rating scale of very high, high moderate and negligible.	-
Intrinsic Factors	It is defined by job satisfaction, target achievement and the need to achieve work experiecn. It is measured using a rating scale of very high, high moderate and negligible	-
Gender	Respondent's state of being male or female. It is measured using a dummy variable	+/-
Age	The age of the respondent which 18 years old and above. It is a continuous variable.	+/-
Education	Refers to the education level of respondents. It is an interval scale	+/-

Position	Refers respondents position within the organization	+/-
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**3.8. ETHICAL CONSIDERATION**

The ethical approval and clearance for the study before data collection was obtained from the College of Business and Economics, Addis Ababa University. Informed consent was also obtained from the clients after the purpose of the study was explained to the clients. To ensure privacy and confidentiality, the exit interview was conducted where questions and answers cannot be overheard. They were also informed that the information obtained from them would not be disclosed to the third person. Name and other identifying information were not used in the study. The researcher safeguarded all information related to the participants. Their privacy, identity and confidentiality were maintained by assigning them code numbers instead of names (anonymity). The completed questionnaires were filed safely and were accessible only to the researcher and thesis advisor.

## **CHAPTER 4**

### **4. DATA ANALYSIS, PRESENTATION, INTERPRETATION & DISCUSSION**

The first section of this chapter presents a demographic description of the sample in terms of gender, age, work experience, educational level, and position within the organization. The second section summarizes the response of participants of the research when it comes to factors that influence employee turnover. The third section includes results of inferential statistics.

#### **4.1. DESCRIPTIVE ANALYSIS**

Descriptive statistics frequency and percentage, charts, were used to present demographic factors, independent.

#### **4.2. DEMOGRAPHIC FACTORS**

Regarding the gender composition of the sampled respondents, about 57% of them were male while the remaining 43% were female. This mean that majority of sampled respondents were male. About 73.1% of the sampled respondents were below 30 years of age and constituted the lion share of the sample. 19.4%, 1.9%, 3.7%, and 1.9% of respondents were in the age category of 30 up to 34 years, 35-39 years, 40-44 years, and 45 & above years of age respectively. This indicates that the majority of respondents are young enthusiasts.

About 9.3% of the respondents have high school diploma while 88.8% of the respondents have diploma and college degree while only 1.9% have a second degree and higher level of education. This may indicate that most of the respondents have a good educational background.

12.9% of the respondents have a work experience below 2 years and can be considered as junior employees. Respondents with 2-4 years of experience amount about 38.9% while those with 5-10 years of experience also amount the same 38.9%. So both categories amount a staggering 77.8% of our sample. Only 9.3% of employees have above 10 years of experience.

10.2%, 16.7% and 73.1% of the respondents are in top management, supervisor (middle management) and non management position categories. The majority of employees are in non management categories and it seems as one goes up the hierarchy the number of people decreases forming a pyramid.

**Table 4.1: Frequency distribution of demographic factors**

Items		Frequency	Percentage
<b>Gender</b>	Male	61	56.5%
	Female	47	43.5%
<b>Age</b>	Below 30	79	73.1%
	30-34	21	19.4%
	35-39	2	1.9%
	40-44	4	3.7%
	45 & above	2	1.9%
<b>Educational Level</b>	High school	10	9.3%
	Diploma	48	44.4%
	College degree	48	44.4%
	Second degree and above	2	1.9%
<b>Work Experience</b>	Below 2 years	14	12.9%
	2-4 years	42	38.9%
	5-10 years	42	38.9%
	11-20 years	10	9.3%
	Above 20 years	0	0%
<b>Position Category</b>	Top Management	11	10.2%
	Supervisor/ Middle level	18	16.7%
	Non-Management	79	73.1%

### 4.3. THE RELATIONSHIP BETWEEN DEMOGRAPHIC VARIABLES

#### 4.3.1. GENDER AND AGE OF RESPONDENTS

35.2% of male respondents and 38% of female respondents are below 20 years of age while 15.7% of male respondents and 3.7% of female respondents are within the age of 30 to 34 years. One interesting thing to note here is that there are no female respondents between the ages of 35 to 39 years as well as the ages of 45 and above while there are no male respondents between the ages of 40 to 44 years.

Chi-Square test was also conducted to uncover any significant association between the age and gender of respondents and the table shows the results  $\chi^2(4) = 14.592, p < .05$  which is statistically significant between gender and age.

**Table 4.2: Relationship between age and gender**  
Age \* Gender Cross-Tabulation

			Gender		Total
			Male	Female	
Age	Below 30	Count	38	41	79
		% within Age	48.1%	51.9%	100.0%
		% of Total	35.2%	38.0%	73.1%
	30-34	Count	17	4	21
		% within Age	81.0%	19.0%	100.0%
		% of Total	15.7%	3.7%	19.4%
	35-39	Count	0	2	2
		% within Age	0.0%	100.0%	100.0%
		% of Total	0.0%	1.9%	1.9%
	40-44	Count	4	0	4
		% within Age	100.0%	0.0%	100.0%
		% of Total	3.7%	0.0%	3.7%

**Table 4.2: Relationship between age and gender**  
**Age \* Gender Cross-Tabulation**

		Gender		Total
		Male	Female	
45 & above	Count	2	0	2
	% within Age	100.0%	0.0%	100.0%
	% of Total	1.9%	0.0%	1.9%
Chi-Square Tests				
	Value	df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	14.592	4	.006	

#### 4.3.2. GENDER AND EDUCATION OF RESPONDENTS

5.6% and 3.7% of male and female respondents respectively have high school diploma, while 28.7% and 15.7% of male and female respondents respectively have a diploma. 20.4% of male respondents and 15.7% of female respondents have college degrees while only 1.9% of male respondents have secondary degree. The interesting fact revealed by this cross tabulation is that there are no female respondents whatsoever that have a secondary degree and above.

As far as uncovering any association between gender and education of respondent goes, the Chi-Square test reveal  $\chi^2(3) = 5.087, p = .166 > .05$  which is a statistically insignificant association.

**Table 4.3: Relationship between gender and education level**

<b>Education Level * Gender Cross-tabulation</b>						
			<b>Gender</b>		Total	
			male	female		
<b>Education Level</b>	High school	Count	6	4	10	
		% within Education Level	60.0%	40.0%	100.0%	
		% of Total	5.6%	3.7%	9.3%	
	Diploma	Count	31	17	48	
		% within Education Level	64.6%	35.4%	100.0%	
		% of Total	28.7%	15.7%	44.4%	
	College degree	Count	22	26	48	
		% within Education Level	45.8%	54.2%	100.0%	
		% of Total	20.4%	24.1%	44.4%	
	Second degree and above	Count	2	0	2	
		% within Education Level	100.0%	0.0%	100.0%	
		% of Total	1.9%	0.0%	1.9%	
	<b>Chi-Square Test</b>					
		Value	df	Asymp. Sig (2 sided)		
	Pearson Chi-Square	5.087	3	0.166		

### 4.3.3. GENDER, AGE AND WORK EXPERIENCE

For the male respondents its clear that whenever age is increasing so is the number of work experience in years. The Chi-Square test reveals a significant association between age and work experience for the male respondents which is given by  $\chi^2(3) = 53.98, p < .05$ . The Chi-Square test of association between age and work experience for women shows the results  $\chi^2(4) = 10.986, p < .05$  which is also statistically significant.

**Table 4.4: The relationship between work experience and age for male respondents**

Work Experience (years) * Age Cross-tabulation							
			Age				Total
			Below 30	30-34	40-44	45 & above	
<b>Work Experience (years)</b>	Below 2	Count	6	0	0	0	6
		% within Work Experience (years)	100.0%	0.0%	0.0%	0.0%	100.0%
		% of Total	9.8%	0.0%	0.0%	0.0%	9.8%
	2-4	Count	18	0	0	0	18
		% within Work Experience (years)	100.0%	0.0%	0.0%	0.0%	100.0%
		% of Total	29.5%	0.0%	0.0%	0.0%	29.5%
	5-10	Count	14	13	0	0	27
		% within Work Experience (years)	51.9%	48.1%	0.0%	0.0%	100.0%
		% of Total	23.0%	21.3%	0.0%	0.0%	44.3%
	11-20	Count	0	4	4	2	10
		% within Work Experience (years)	0.0%	40.0%	40.0%	20.0%	100.0%
		% of Total	0.0%	6.6%	6.6%	3.3%	16.4%
<b>Chi-Square Test for Male Respondents</b>							
	Value	df	Asymp. Sig. (2-sided)				
Pearson Chi-Square	53.98	9	0				

**Table 4.5: The relationship between work experience and age for female respondents**

<b>Work Experience (years) * Age Cross-tabulation</b>						
			Age			Total
			below 30	30-34	35-39	
Work Experience (years)	below 2	Count	8	0	0	8
		% within Work Experience (years)	100.0%	0.0%	0.0%	100.0%
		% of Total	17.0%	0.0%	0.0%	17.0%
	2-4	Count	22	0	2	24
		% within Work Experience (years)	91.7%	0.0%	8.3%	100.0%
		% of Total	46.8%	0.0%	4.3%	51.1%
	5-10	Count	11	4	0	15
		% within Work Experience (years)	73.3%	26.7%	0.0%	100.0%
		% of Total	23.4%	8.5%	0.0%	31.9%
<b>Chi-Square Test for Femal Respondents</b>						
	Value	df	Asymp. Sig. (2-sided)			
Pearson Chi-Square	10.986	4	0.027			

#### 4.3.4. WORK EXPERIENCE AND POSITION CATEGORY

**Table 4.6: The relationship between work experience and position within the organization**

<b>Work Experience (years) * Position Category in Department Cross-tabulation</b>						
			<b>Position Category in Department</b>			Total
			Top Management	Supervisor/Middle level	Non-Management	
<b>Work Experience (years)</b>	Below 2	Count	0	0	14	14
		% within Work Experience (years)	0.0%	0.0%	100.0%	100.0%
		% of Total	0.0%	0.0%	13.0%	13.0%
	2-4	Count	0	4	38	42
		% within Work Experience (years)	0.0%	9.5%	90.5%	100.0%
		% of Total	0.0%	3.7%	35.2%	38.9%
	5-10	Count	9	12	21	42
		% within Work Experience (years)	21.4%	28.6%	50.0%	100.0%
		% of Total	8.3%	11.1%	19.4%	38.9%
	11-20	Count	2	2	6	10
		% within Work Experience (years)	20.0%	20.0%	60.0%	100.0%
		% of Total	1.9%	1.9%	5.6%	9.3%
<b>Chi-Square Tests</b>						
	Value	df	Asymp. Sig. (2-sided)			
Pearson Chi-Square	25.536	6	.000			

The cross tabulation between position category and work experience reveals that there is an association between those two variables and that the more experience a person has the more likely to climb up the hierarchy. The Chi-Square test of association reveals  $\chi^2(6) = 25.536, p < .05$ .

#### 4.4. ASSESSMENT OF RESPONSE TO TURNOVER AND PREDICTOR FACTORS

##### I. Factor 1: Employee Relations

Respondents were asked to rate factors that pertain to employee relations which influence staff turnover. The factors were identified from different literature sources and include the availability conflict resolution mechanisms, recognition of job well done, leadership style, communication, succession plans, employee welfare and promotion within the organization. The rating scale used for purpose of evaluating the perception of respondents had 4 scale namely very great extent, great extent, moderate extent, lower extent.

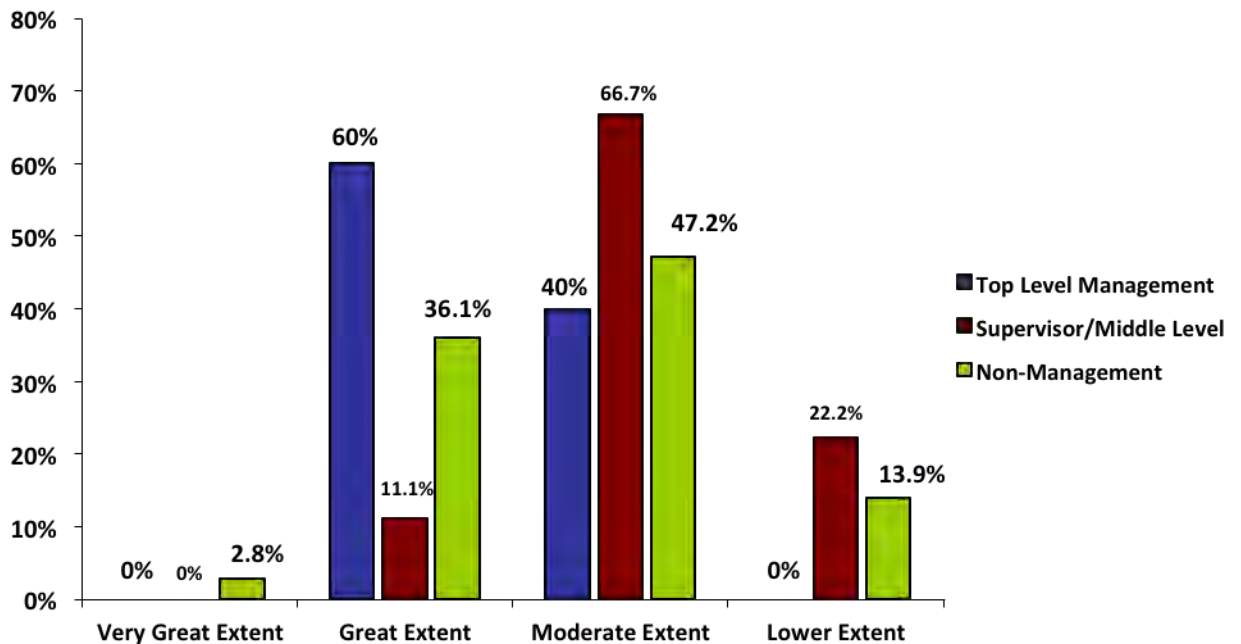
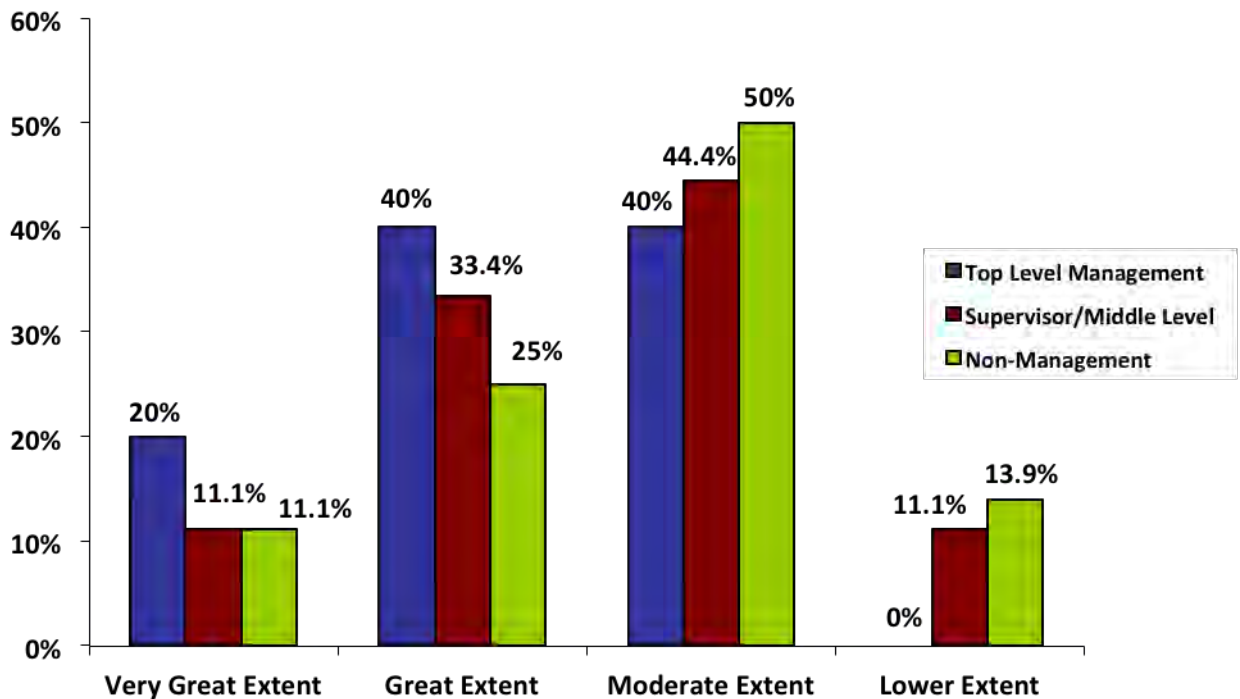


Figure 4.1: Influence of the availability of conflict resolution mechanism on staff turnover

Figure 4.1: Influence of the availability of conflict resolution mechanism on staff turnover

Respondents were asked to rate the influence of availability of conflict resolution mechanism on turnover. All of top management rated the impact of conflict resolution mechanisms as either to a great extent or moderate degree. Most of the supervisor (middle level management) and non management respondents perceive the availability of conflict resolution mechanisms as having a moderate extent of influence on staff turnover. Overall while most top level management respondents think having a conflict resolution mechanisms as imperative to determining staff turnover, the middle level management (supervisors) and the non management respondents deem conflict resolution mechanisms to a lesser extent when it comes to staff turnover.

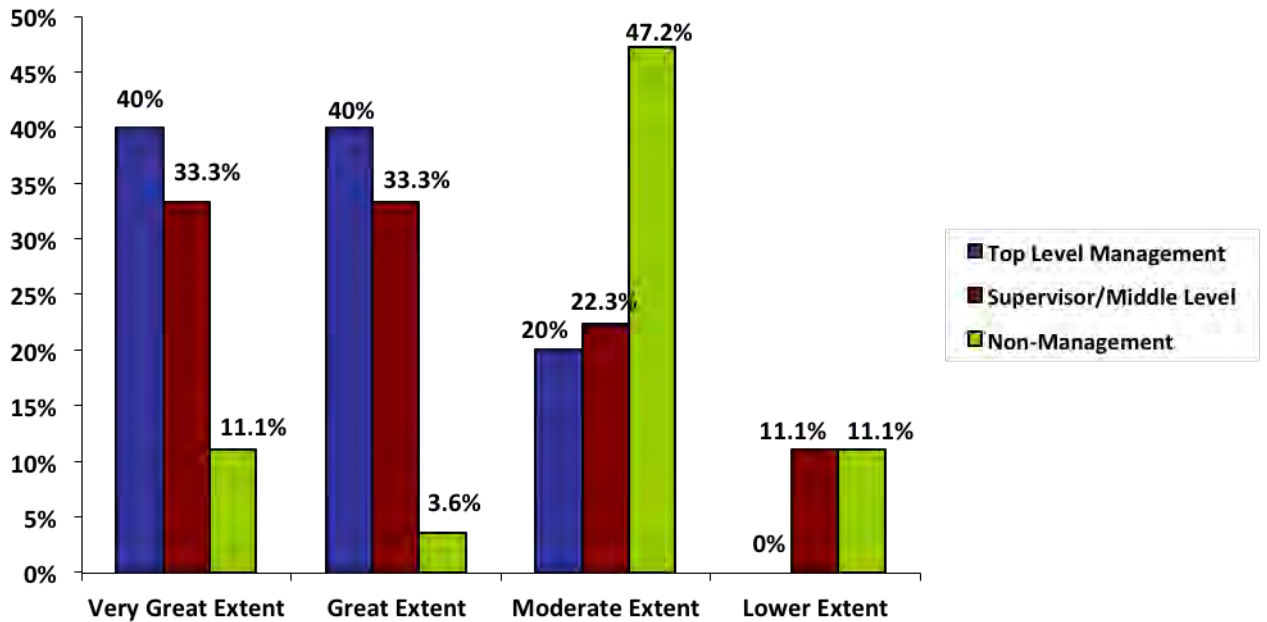


**Figure 4.2: Influence of recognition of a job well done on staff turnover**

**Figure 4.2: Influence Of Recognition Of Job Well Done On Staff Turnover**

60% of top management rated the impact of recognition of a job well done on staff turnover as having either a very great or a great extent while the rest said it had a moderate extent of influence. 51.1% of supervisors perceive recognition of job well done as having a very great extent or a great influence on staff turnover while 44.4% deem it as having a moderate extent of influence on turnover. Small number (11.1%) indicated that they believe recognition as having lower extent of influence on staff turnover. Half of the non management respondents indicated

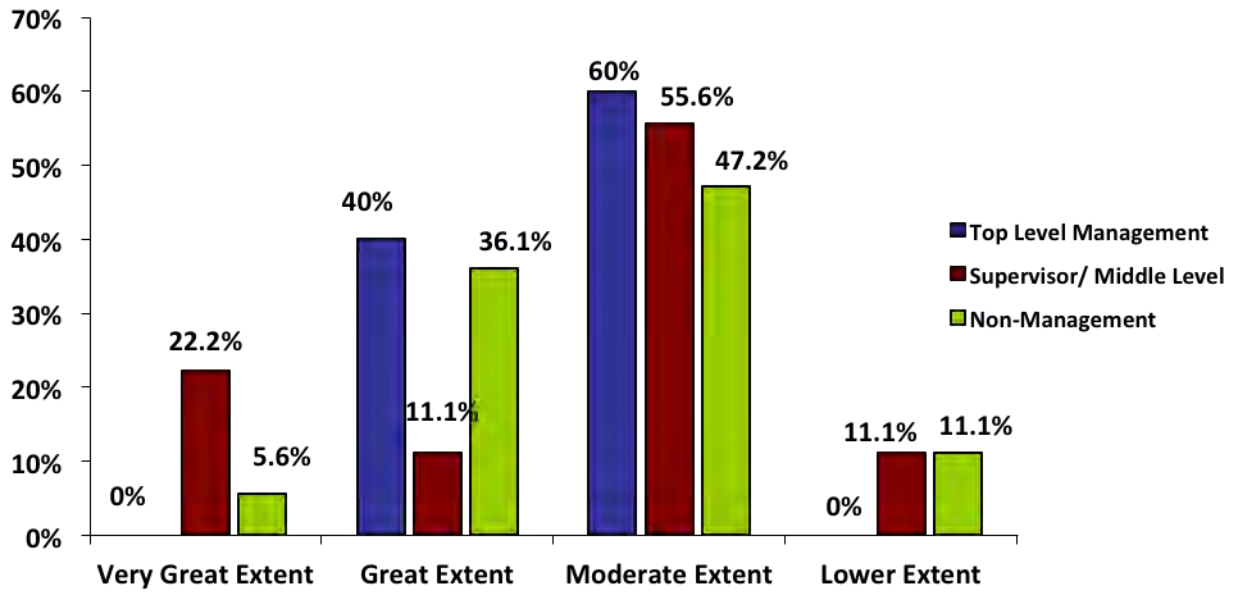
that they consider the recognition of a job well done as having moderate degree of influence while 25% indicated that recognition influence staff turnover to a great extent.



**Figure 4.3: The influence of leadership style on staff turnover**

**Figure 4.3: Influence Of Leadership Style On Staff Turnover**

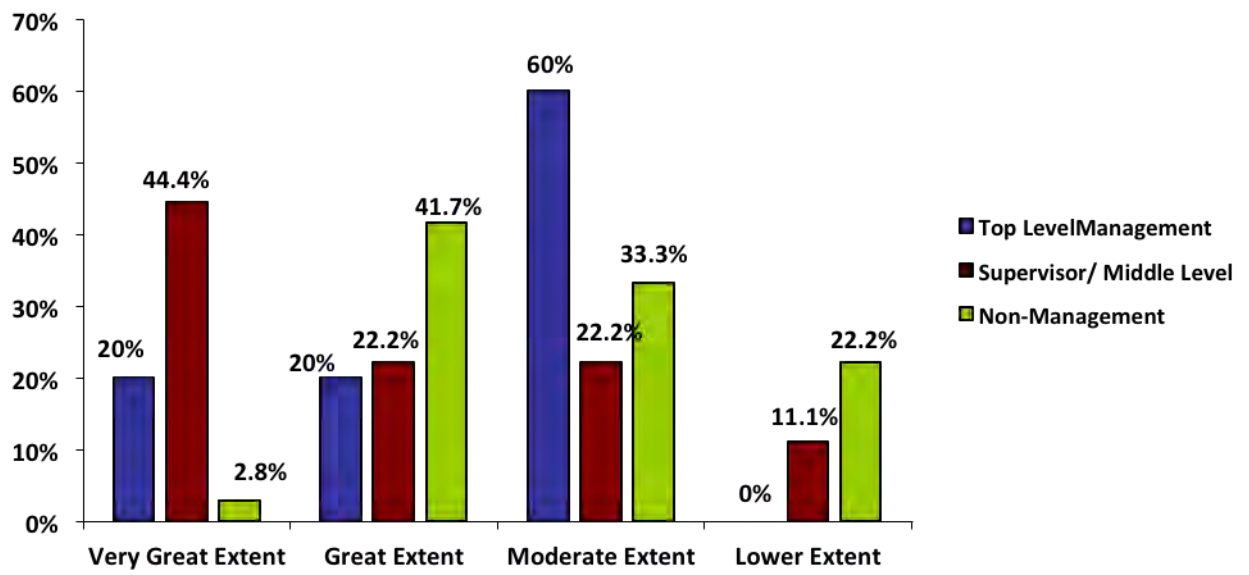
80% of top management indicated that leadership style has a either a very great deal of influence on staff turnover. 66.6% of supervisors perceive leadership style as having a either a very great or great extent of influence on staff turnover. However most of the non management respondents indicated that they consider the leadership style as having moderate extent of influence on staff turnover. This data reveals an interesting taught which propagates that most of top and middle level management seem to highly associate the influence of leadership style to staff retention. However, the non management respondents perceive leadership as having a moderate impact on staff retention and seem to reflect on how management (both top and middle) and the non management staff perceive leadership style, staff turnover and moreover how they associate staff turnover with leadership style.



**Figure 4.4: Influence of assertive communication on staff turnover**

**Figure 4.4: Influence Of Assertive Communication On Staff Turnover**

The majority of top level managers indicated that assertive communication has a moderate level of influence on staff turnover. The same trends are also apparent for supervisor (middle level management) and non-management respondents.



**Figure 4.5: Influence of succession plan on staff turnover**

**Figure 4.5: Influence Of Succession Plan On Staff Turnover**

Most of top level managers indicated that succession plans have a moderate degree of influence on staff turnover although it is worthy to note an equal 20% reflect that it can have a great or in some cases even a very great extent of influence. The majority of supervisors perceive that succession plans within the organization structure have a very great extent of influence on staff turnover. Most of the middle level management respondents indicated that succession plan has a great degree of influence on staff turnover. Each of the position categories has a somewhat erratic response when it comes to influence of succession plans on staff turnover.

All of top management rated the impact of proper employee welfare on staff turnover as having either a great extent or a moderate degree of influence. 33.4% of supervisors perceived proper employee welfare as having either a very great or a great degree of influence on staff turnover while 44.4% of the respondents noted that they think that employee welfare has a moderate extent of influence on staff turnover. The rest (22.2%) of the supervisor respondents deem employee welfare as having only a lower extent of influence on staff turnover. 38.9% of the non management respondents indicated that they consider proper employee welfare as having either a very great or a great extent of influence on staff turnover, while 47.2% and 13.96% agreed that proper employee welfare influence staff turnover to a moderate or lower extent, respectively. Overall most of the respondents in the different position category indicate that employee welfare has a moderate influence on staff turnover.

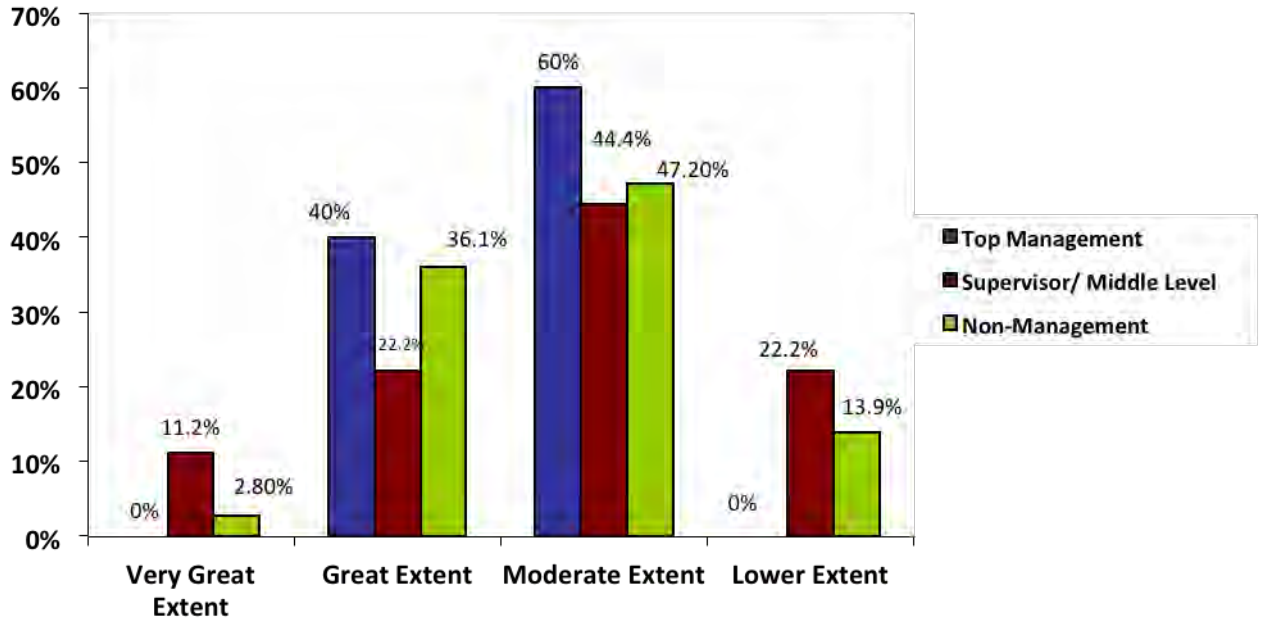


Figure 4.6: Influence of proper employee welfare on staff turnover

Figure 4.6: Influence Of Proper Employee Welfare On Staff Turnover

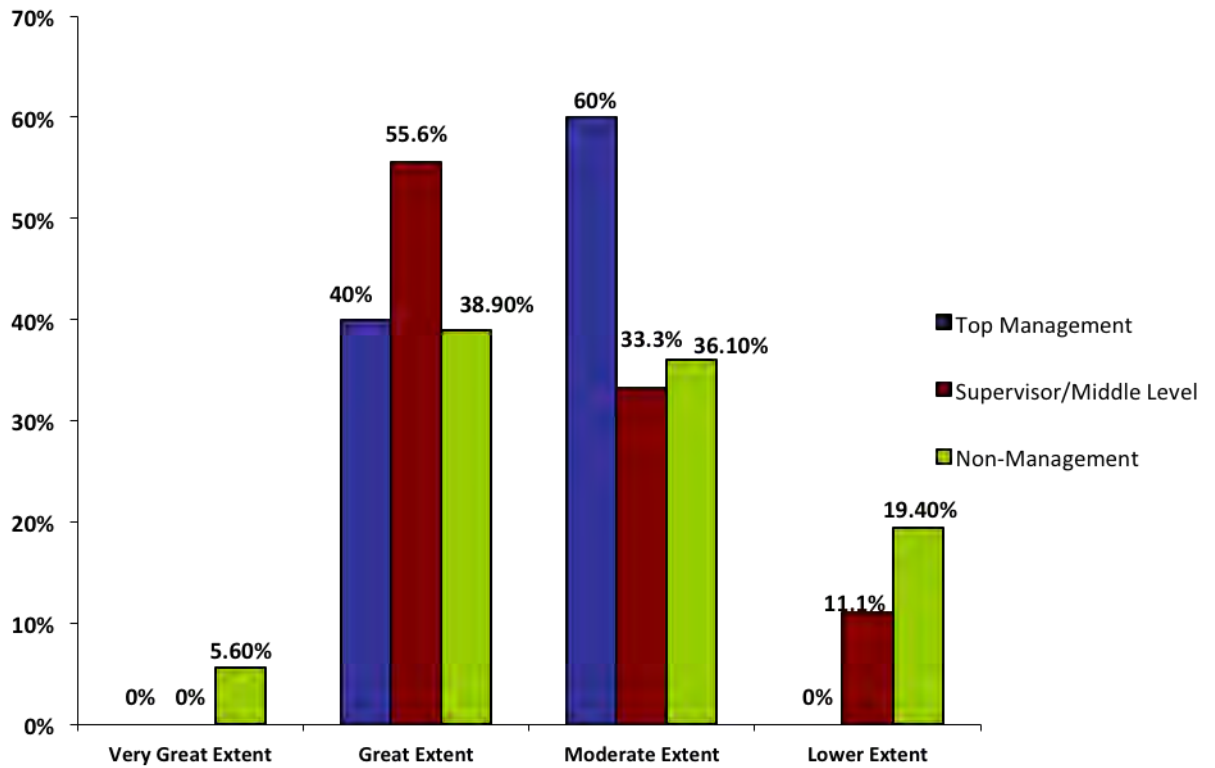
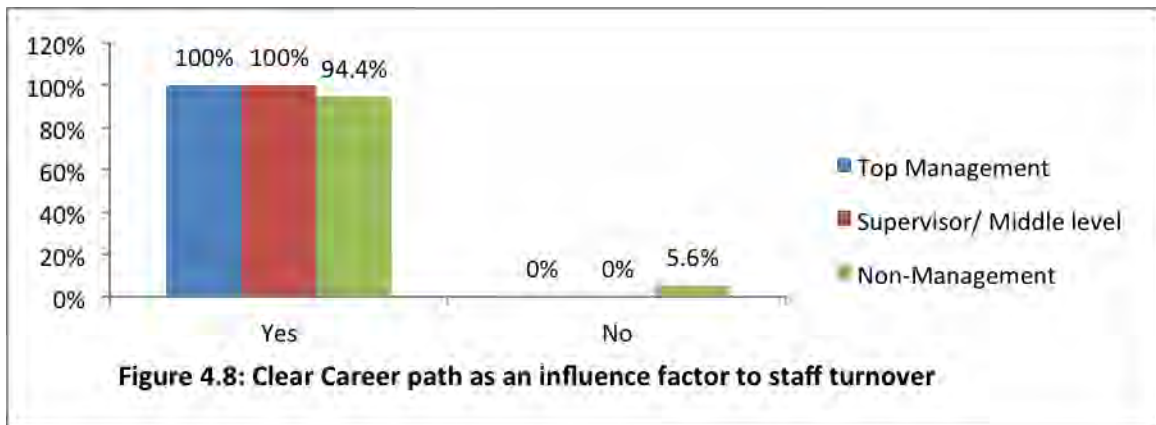


Figure 4.7 Influence of need of promotions on staff turnover

Figure 4.7: Influence Of Need of Promotions On Staff Turnover

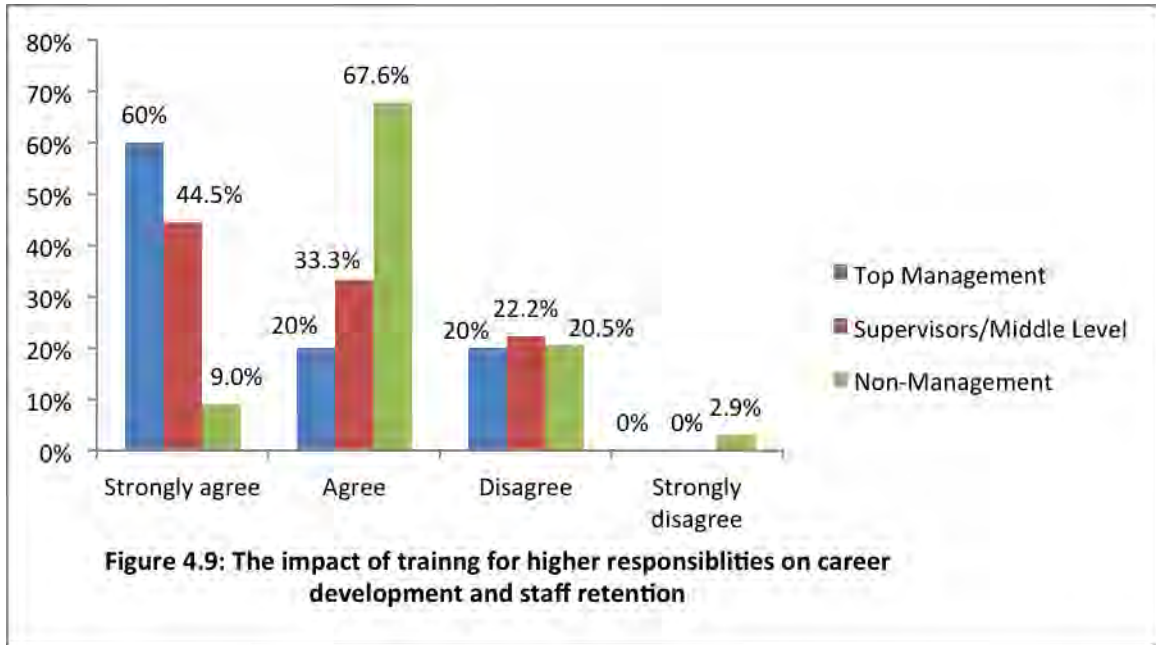
All of top management respondents rated the impact of need for promotion on staff turnover as having a great or a moderate extent of influence. The majority of supervisors perceive the need for promotion as having a great extent while the majority of the non management staff also shared the perspectives of the supervisor (middle level management) respondents. Also it's note worthy to state that a small number of non management staff seems to hold extreme views on the influence of employee welfare given that 5.6% and 19.4% stated that they consider employee welfare as having very great or lower extent of influence, respectively.

## II. Factor 2: Career Path Development Factors



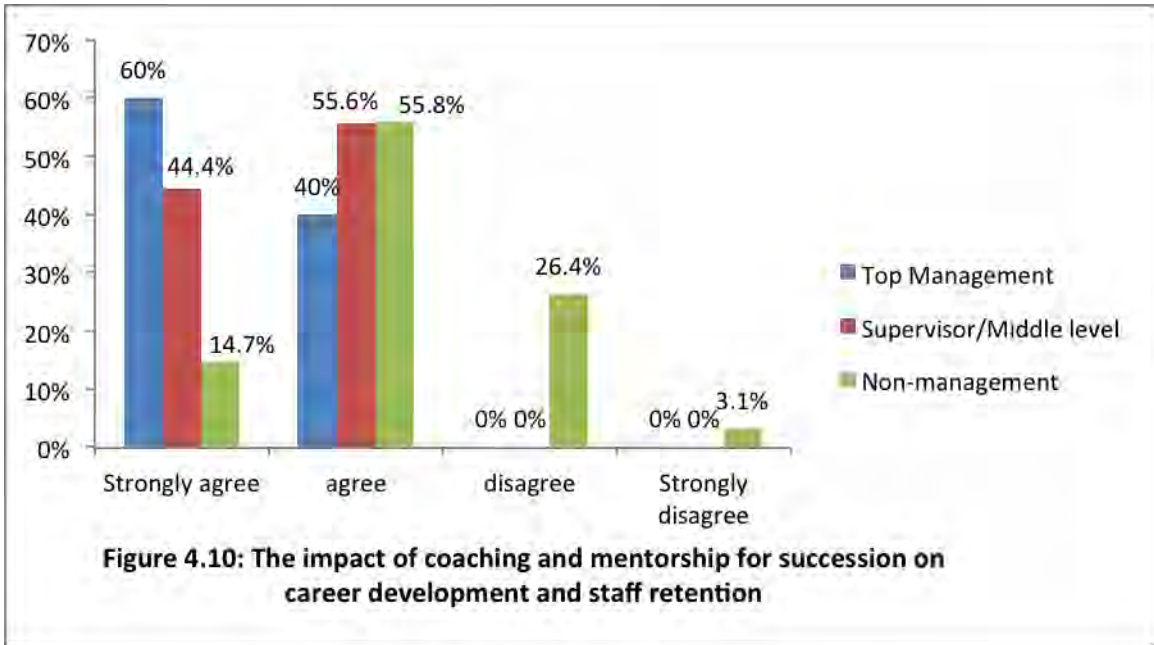
**Figure 4.8: Clear Career Path as an Influential factor to staff turnover**

Respondents were asked whether if they think that the existence of clear career path in the organization influences staff turnover. All of top and middle level management staff concur that clear career path is one factor that influences staff turnover. However small portion of non-management staff indicated that they don't consider this factor as having an influence on staff turnover. Subsequently those who said that clear career path is an important factor that influences staff turnover were asked to rate various career development strategies. The results are shown in the figures below.



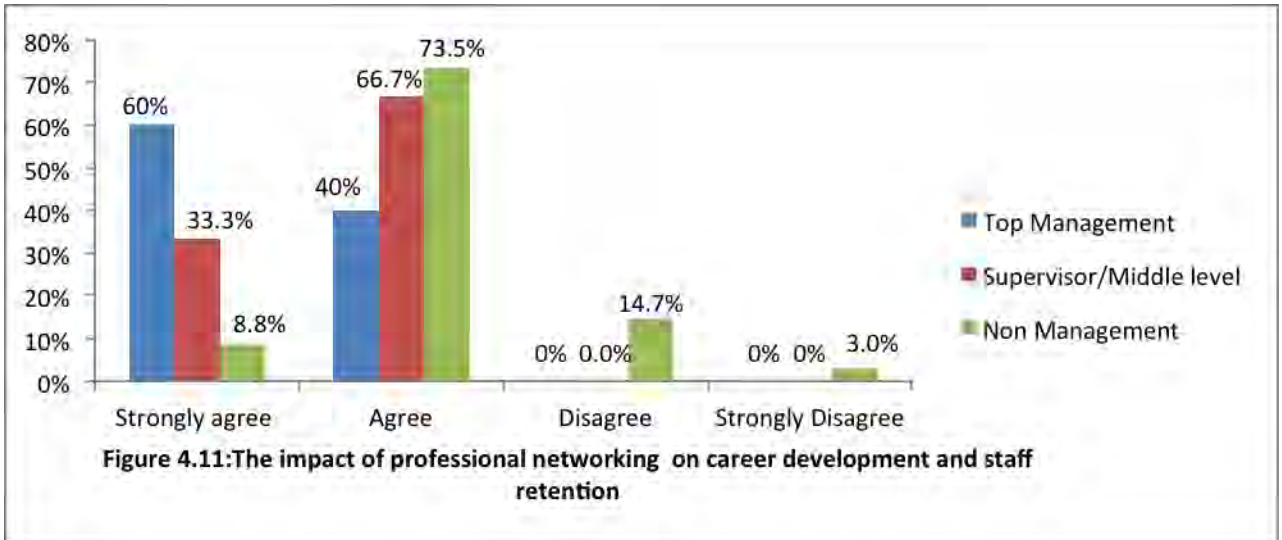
**Figure 4.9: the impact of training for higher responsibilities on career development and staff retention**

Respondents were asked about their perception on how training for higher responsibility influences career development and staff retention in Dramliner Hotel. 80% of the top management staff either agree or strongly agree that training for higher responsibilities influences career development and staff retention. Also there was a similar judgment on the part of supervisors (middle level managers) indicating that 77.8% either strongly agree or agree on the fact that training has influence on career development and staff retention. When it comes to non-management respondents, 75.6% either strongly agree or disagree in the fact that training influences career development and staff retention. So in general the majority of respondents from the different organizational position categories consider training as having an impact on career development as well as staff turnover.



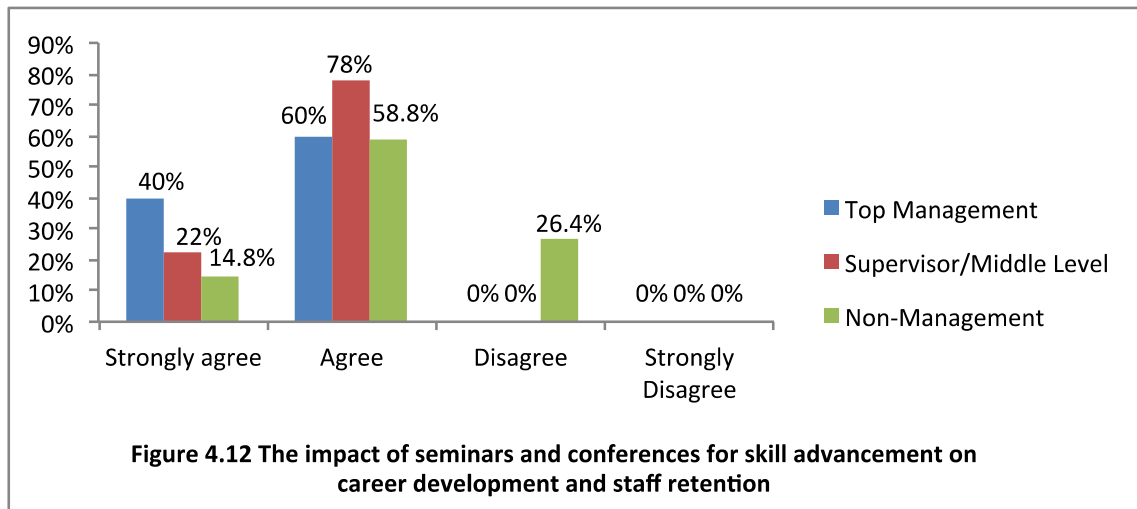
**Figure 4.10: the impact of Coaching and Mentorship for succession on career development and staff retention**

Respondents were asked if coaching and mentorship for succession influenced career development and staff retention. All top management and supervisor either agree or strongly agree coaching and mentorship does in fact influence career development and staff retention. 70.5% of non management respondents share the same views with the top and middle management. However 26.4% of non management respondents stated that they disagree and 3.1% of non management respondents stated that they strongly disagree with the view that coaching and mentorship have influence on career development and staff retention. Overall majority of respondents from each position category concur that coaching and mentorship does have influence on career development and staff retention.



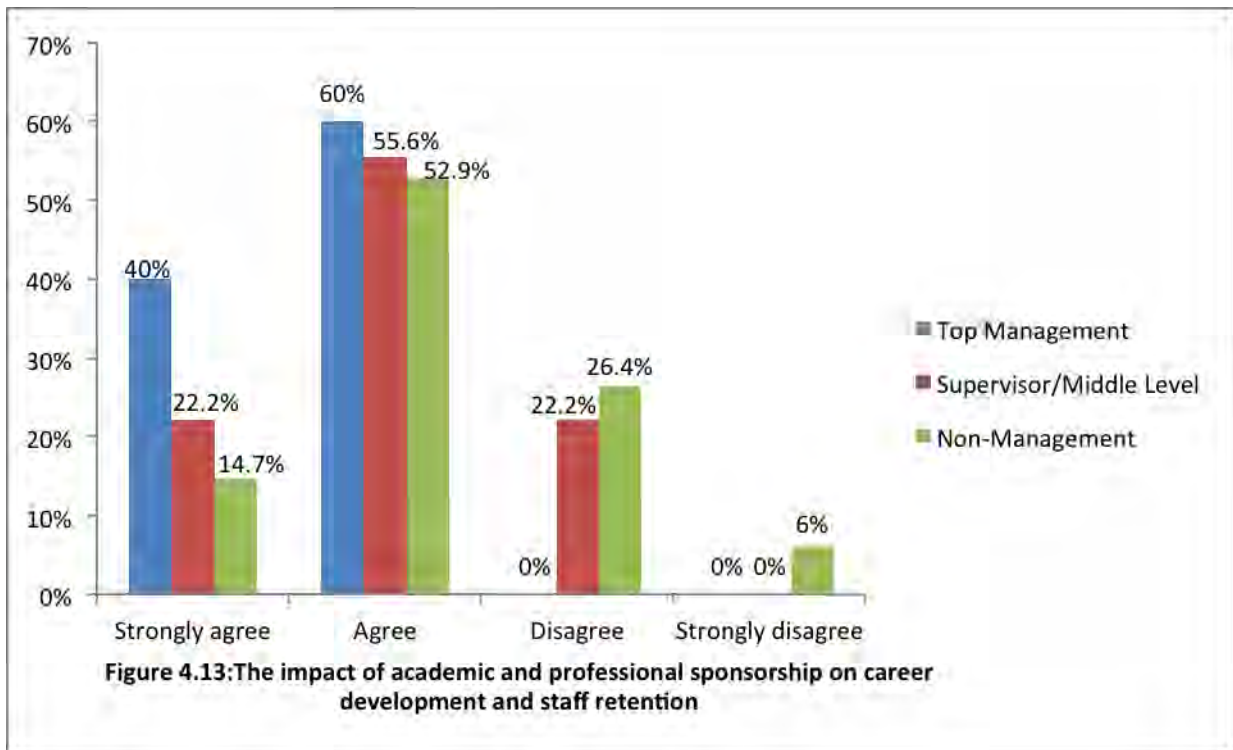
**Figure 4.11: the impact of Professional Networking on career development and staff retention**

Respondents were asked if professional networking influenced career development and staff retention. All top management and supervisor either agree or strongly agree on the view that professional networking influences career development and staff retention. 82.3% of non management respondents share the same views with the top and middle management. However 14.7% of non management respondents stated that they disagree and 3% of non management respondents stated that they strongly disagree with the view that professional networking has influence on career development and staff retention. Nevertheless, the majority of respondents perceive professional networking as having an influence on career development and staff retention.



**Figure 4.12: the impact of Seminars and Conferences for skill advancement on career development and staff retention**

Respondents were asked about their perception on how seminars and conferences for skill advancements influence career development and staff retention in Dram Liner Hotel. All of the top management said that they either strongly agree or agree that seminars and conferences for skill advancements influence career development and staff retention. The same trends can also be seen in supervisors (middle level managers) counterparts. When it comes to non-management respondents, the majority indicated that they either strongly agree or agree. Overall most of the respondents feel that seminars and conferences for skill advancement do in fact influence career development and staff retention.



**Figure 4.13: the impact of Academic and Professional Sponsorship on career development and staff retention**

Respondents were asked if academic and professional sponsorship influenced career development and staff retention. All top management stated that they either agree or in some cases strongly agree on the view that academic and professional sponsorship do in fact influence career development and staff retention. The majority supervisors (middle level managers) respondents indicated that they share the perspectives of top management level respondent. However small portion of (22.2%) of supervisors/middle level managers said that they disagree with what was stated. When it comes to non-management respondents, 14.7% and 52.9% indicated that they strongly agree or disagree, respectively, while 26.4% said that they disagree with the idea that academic and professional

sponsorship influences career development and staff retention. Also 6% of non management respondents stipulated that they strongly disagree with the concept that academic and professional sponsorship influence career development and staff retention.

### III. Factor 3: Extrinsic Factors

Respondents were asked to rate factors relating to extrinsic staff retention factors that influence their decisions to stay put in the hotel. These factors included salary & benefits, job security, transport facility, medical insurance and food & other allowances. The rating scale used for purpose of evaluating the perception of respondents had 4 scales namely very high, high, moderate and negligible.

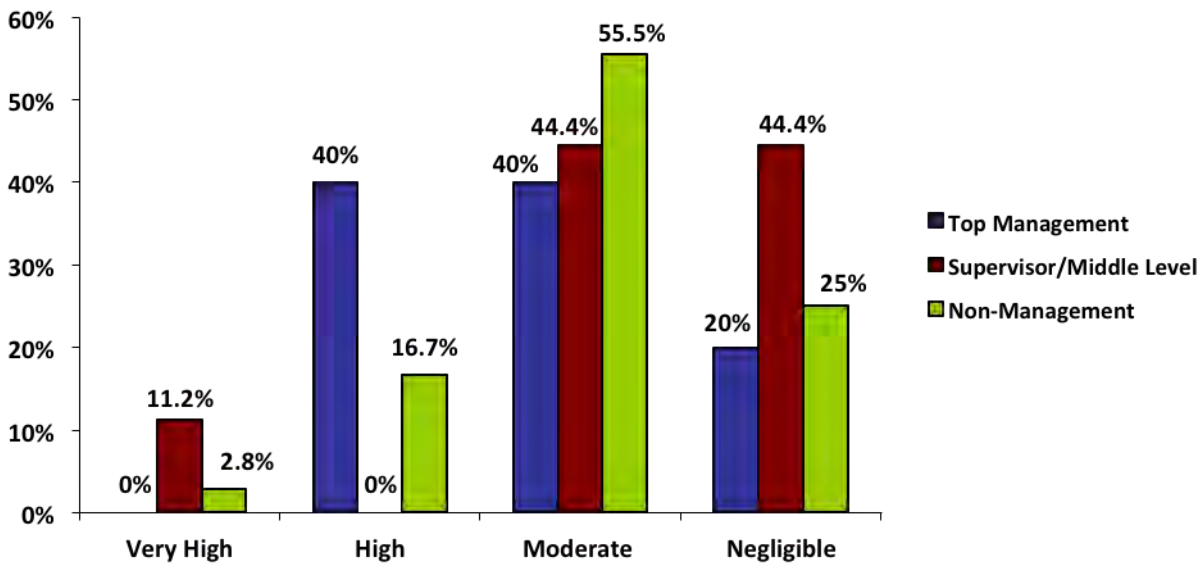


Figure 4.14 Influence of salary and benefits on staff retention

Figure 4.14: Influence of Salary and Benefits on staff retention

40% of top level management respondents consider salary and benefits to influence staff retention while an equal 40% deem salary and benefits having a high effect on staff retention. 20% of top managers respondent indicated that they do believe salary and benefits have negligible effect staff retention. 11.2% of middle level manager indicated that they believe salary and benefits have a very high impact on staff retention while 44.4% indicated that they perceive salary and benefits as having a moderate impact on

staff retention. It's also interesting to note that an equal 44.4% of middle level managers indicated that salary and benefits play negligible role in staff retention. 2.8% of non management staff considered salary and benefits as having a very high impact on staff retention while 16.7% agreed that it has a high effect on staff retention. 55.5% of the non management respondents indicated that salary and benefits have moderate influence on staff retention while 25% considered salary and benefits to have negligible effect on staff retention. Overall most of the respondents seem to reflect that salary and benefits have a moderate extent of influence on staff turnover.

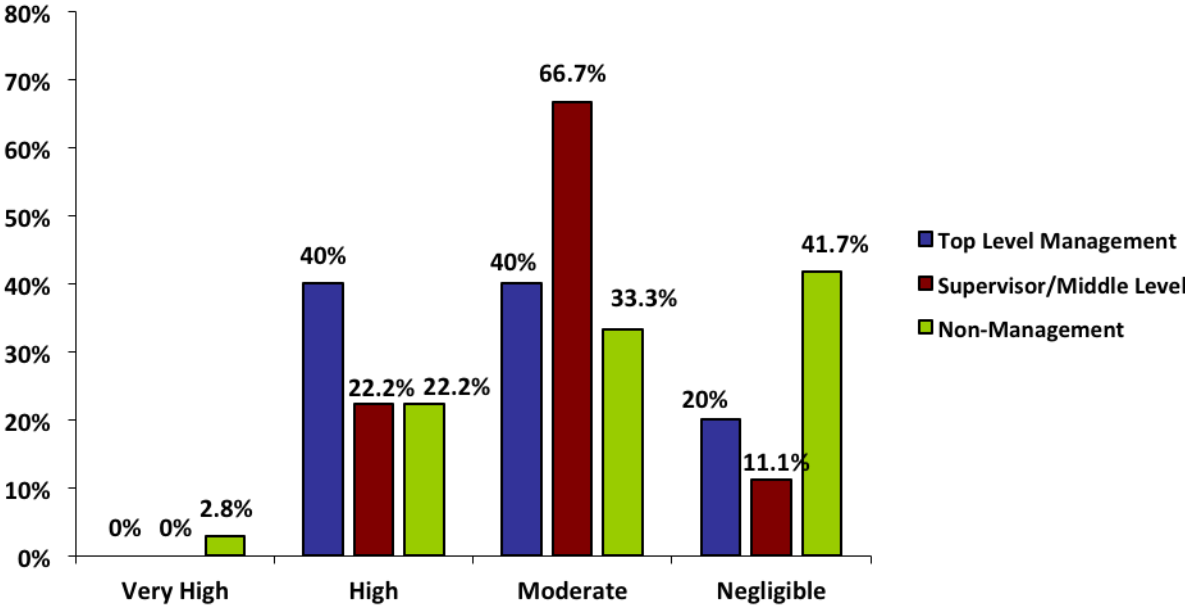


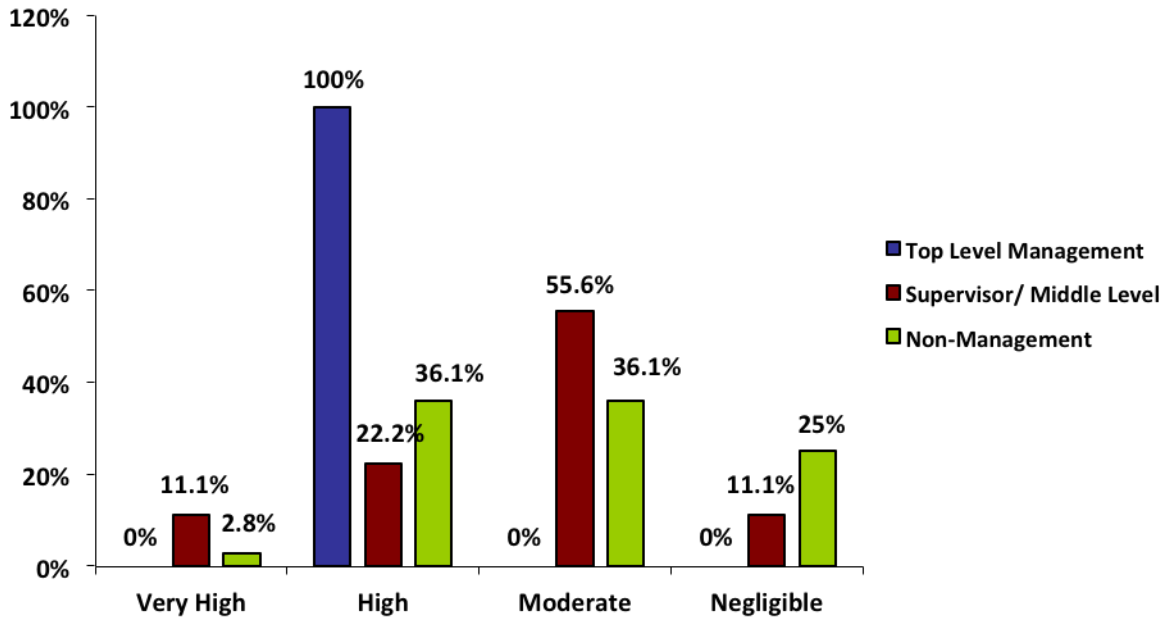
Figure 4.15: Influence of transport facility on staff retention

Figure 4.15: Influence of Transport Facility on staff retention

An equal 40% of top management respondents consider the availability of transport facility as having a high degree as well as a moderate degree of influence on staff retention. The remaining top manager respondents view the availability of transport facility as a negligible factor to consider its capacity of influencing staff retention. The majority of supervisors concur that transport facility do moderately affect staff retention. Most of the non management respondents indicated that availability to transport facility has a negligible influence on staff retention.

The Majority (60%) of top level management respondents consider medical insurance as having a moderate extent of influence while the rest (40%) deem medical insurance as having a high effect on staff retention. The majority (44.4%) of middle level manager indicated that they believe medical insurance

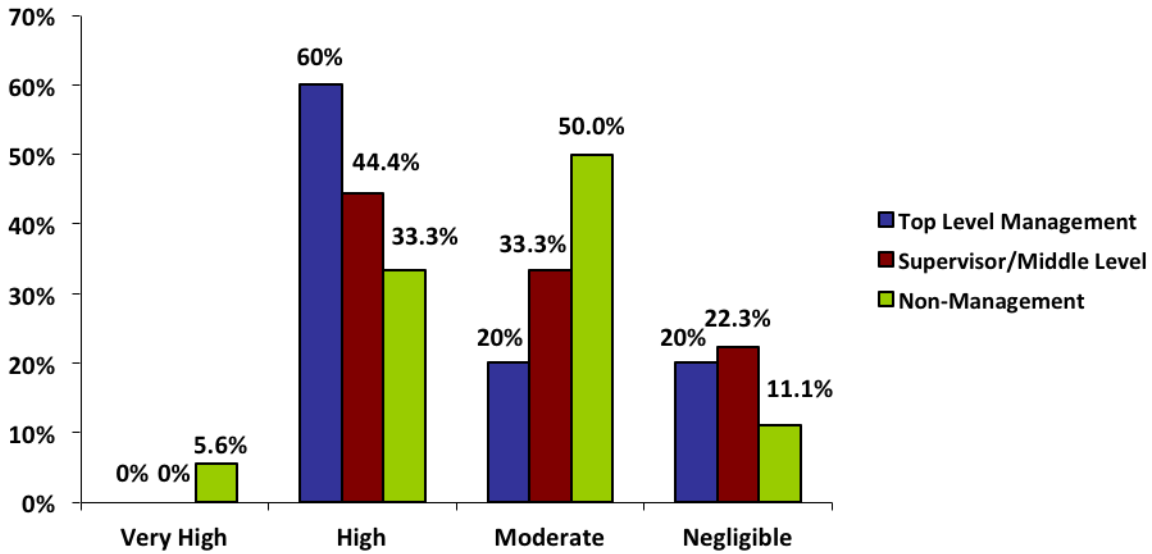
has a moderate impact on staff retention while 33.3% indicated that they perceive medical insurance as having a high impact on staff retention. Half of the non management staff considered medical insurance as having a moderate impact on staff retention while 38.9% agreed that it has a high effect on staff retention.



**Figure 4.16: Influence of Food & other allowances on staff retention**

**Figure 4.16: Influence of Food and other Allowance on staff retention**

All of top level management respondents agreed that food and other allowances have a high influence on staff retention. More than half of the middle level manager indicated that they believe food and allowances have a moderate impact on staff retention while an equal group (20% each) of non management respondents indicated that food and allowances do have a moderate to high degree of influence on staff retention.



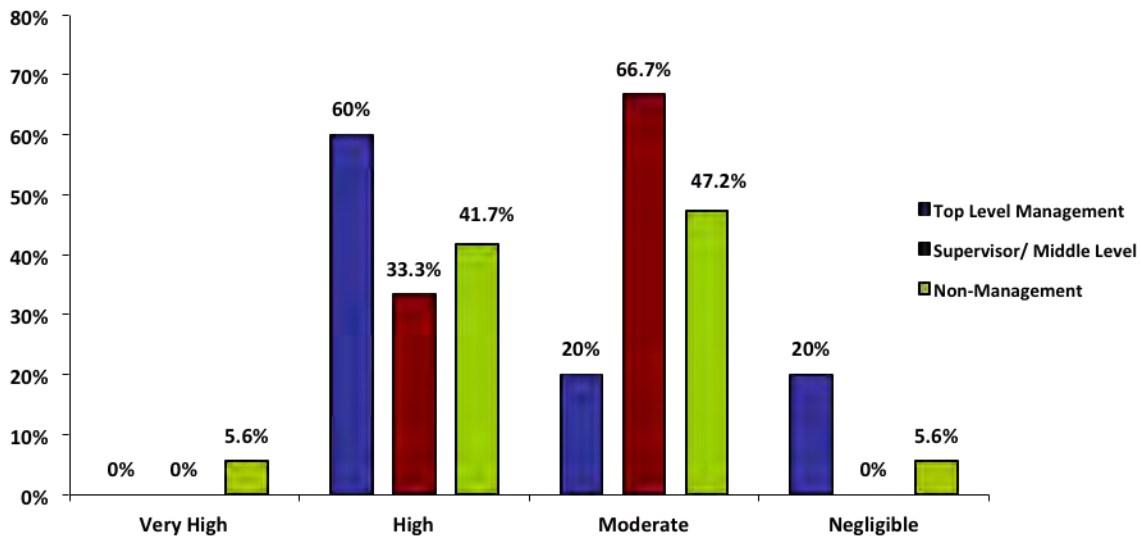
**Figure 4.17: Influence of job security on staff retention**

**Figure 4.17: Influence of Job Security on staff retention**

Respondents were asked to rate the degree to which job security affects the decision of staff members to stay with the hotel (staff retention). The majority of top management level and supervisor (middle management level) respondents indicated that job security has a high influence on staff retention while the majority of non management respondents deemed job security as having moderate extent of influence on staff retention.

#### **IV. Factor 4: Intrinsic Factors**

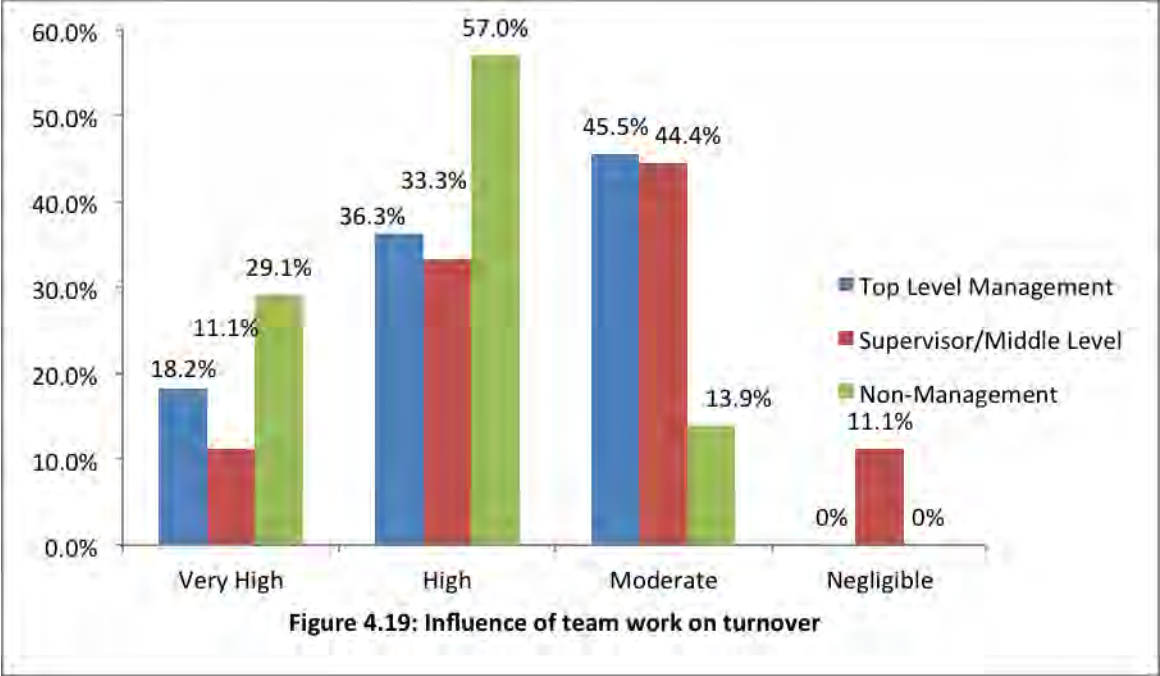
Respondents were asked to rate factors relating to job fulfillment that influence their decisions to stay put in the hotel. These factors included target achievement, control and freedom over work, team work, job satisfaction and the need to achieve work experience. The rating scale used for purpose of evaluating the perception of respondents had 4 scales namely very high, high, moderate and negligible.



**Figure 4.18 Impact of job satisfaction on staff retention**

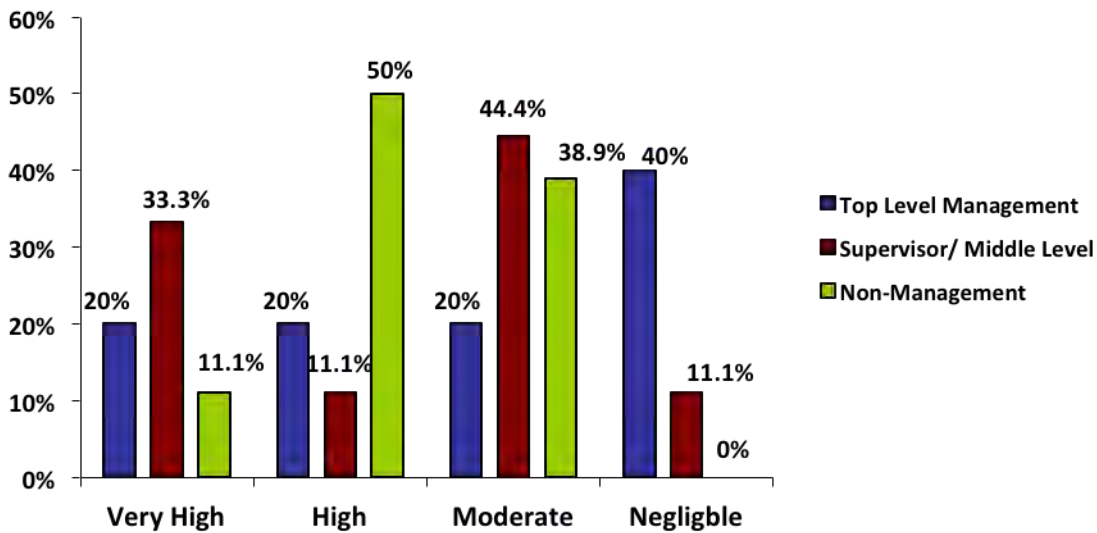
**Figure 4.18: Influence of Job Satisfaction on staff retention**

Respondents were asked to rate the influence of job satisfaction on staff retention. The majority of top management level respondents indicated that they perceive job satisfaction as posing a high influence on staff retention. Most of the middle level manager (supervisor) and non management respondents indicated that they believe job satisfaction have a moderate impact on staff retention.



**Figure 4.19: Influence of Teamwork on Turnover**

Respondents were asked to rate the influence of Team work on staff retention. The majority of top management level respondents indicated that they perceive job satisfaction as posing a moderate influence on staff retention. Most of the middle level managers (supervisor) also share the view of the top level management respondents. The majority of the non management respondents indicated that they believe team work has a high impact on staff retention.



**Figure 4.20: Influence of the need to achieve work experience on staff turnover**

**Figure 4.20: Influence of The need to Achieve Work Experience on Staff Turnover**

Respondents were asked to rate the influence of the need to achieve work experience on staff retention. The majority of top management level respondents indicated that the need to achieve work experience has a negligible influence on staff retention while most of the middle level manager responded that they view the need to achieve work experience as having a moderate impact on staff retention. The majority of non management staff see the need to achieve work experience as having a moderate to high degree of influence on staff retention

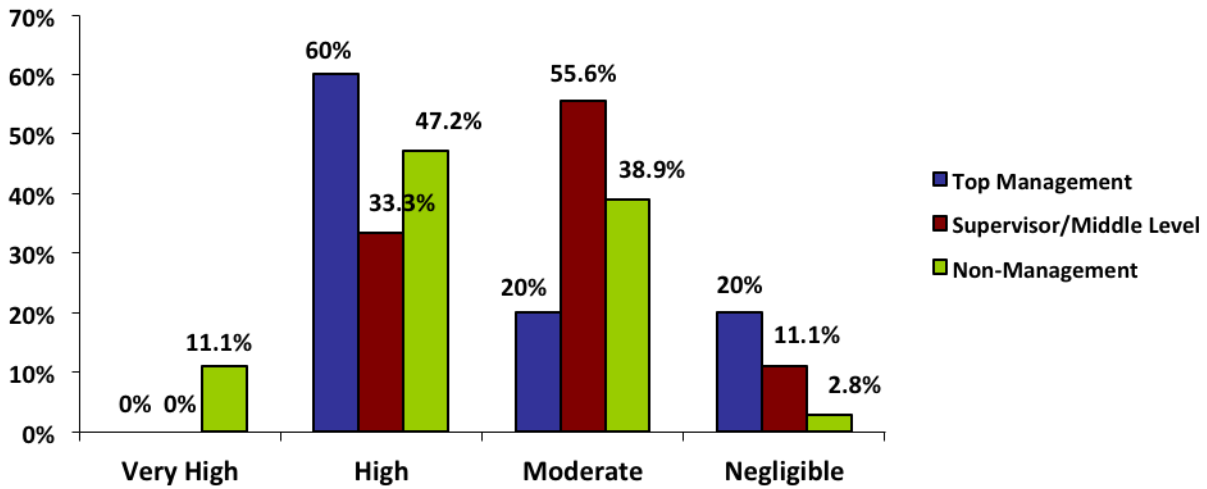


Figure 4.21: Influence of target achievement on staff retention

Figure 4.21: Influence of Target achievement on staff retention

The majority of top managers consider that the degree of target achievement set by the job has a high influence on staff retention while an equal 20% deem it as having a moderate as well as negligible impact on staff retention. Most of the middle level (supervisor) respondents perceive the degree of target achievement set by a job as having a moderate degree of influence on staff retention. Most of the non management staff indicated that the degree of target achievement set by the job has a high to a very high influence on staff retention and turnover.

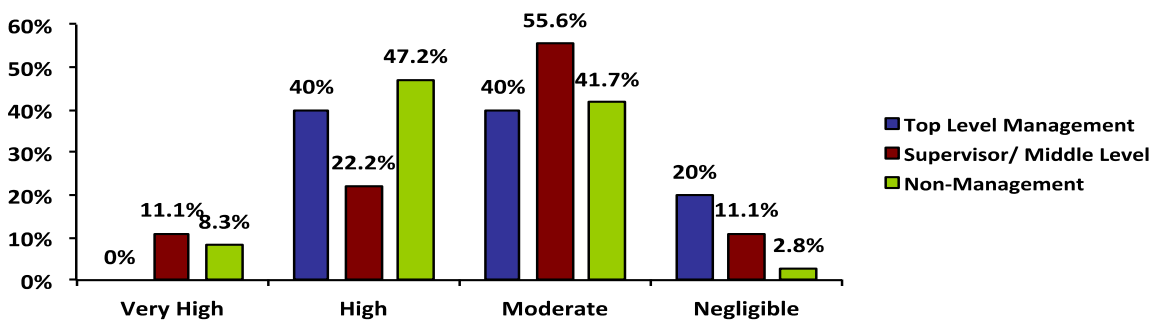


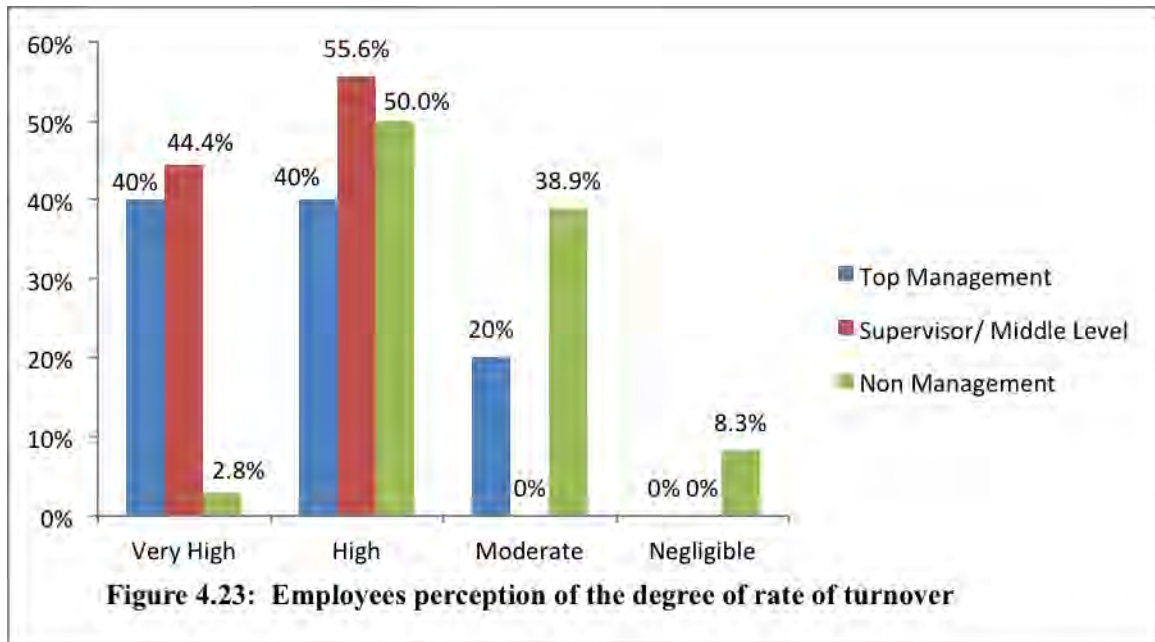
Figure 4.22: Impact of control and freedom over work on staff retention

Figure 4.22: Impact of Control and Freedom over work on staff retention

Respondents were asked to rate the influence of their job autonomy on their decision to stay with the hotel (staff retention). An equal 40% of top level management indicated that degree of control and freedom of a job has a high as well as moderate level of influence on staff retention while the rest (20%) indicated that control and freedom over work has a negligible role in their decisions to stay with the hotel. Most of respondents from the supervisor/middle level indicated that job autonomy had moderate effect on staff retention. More than half of the non management respondents view control and freedom over work as having a high to a very high extent of influence on staff retention

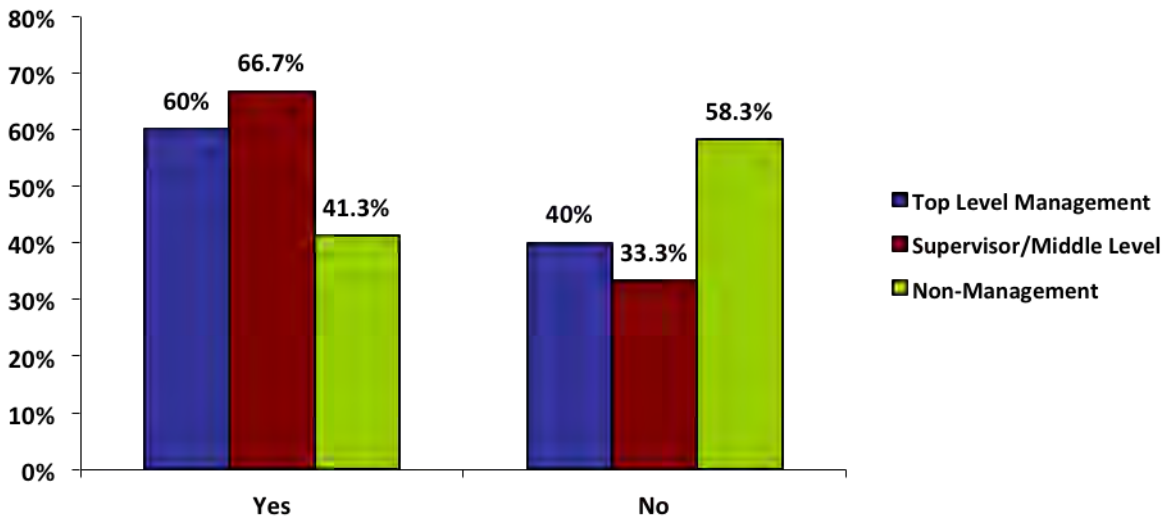
**V. Factor 5: Turnover Indicators**

Respondents were asked to rate factors relating to turnover. This factor mainly relates to employees perception of rate of turnover, their opinion whether and they would opt for career move. The rating scale used for purpose of evaluating the perception of respondents had 4 scales namely very high, high, moderate and negligible.



**Figure 4.23: Employee Perception of the Degree of Rate of Turnover**

Respondents were asked to evaluate the rate of turnover at Dreamliner Hotel. The figure shows the response of top managers, supervisors/ middle level managers and non management staff. Both the top management and middle level management concur that there is high to very high rate of turnover. Majority of non-management respondents think there is moderate to high turnover rate at the hotel.



**Figure 4.24: Assessment of potential turnover**

**Figure 4.24: Assessment of Potential Turnover**

Respondents also were asked if they would opt for career move to assess the potential of turnover rate. Majority of top level and middle level management indicated that they are likely to stay put at the hotel while the majority of non-management staff indicated that they are likely to leave the organization. Its note worthy to state that a follow up open ended question was included to assess any reasons (other than those already covered in the questionnaire) for opting to leave the hotel were asked. Some respondents forwarded better opportunity and more responsibility and meaningful job were listed few times as a reason to leave the hotel.

#### **4.5. THE RELATION BETWEEN DEMOGRAPHIC VARIABLES AND TURNOVER**

##### **4.5.1. GENDER AND TURNOVER**

An independent sample t-test was conducted to compare and uncover any significant difference between female and male counterpart when it comes to turnover.

**Table 4.7: Comparison of mean for male and female**

	Mean	Standard deviation	t-test	df	Sig (2 tailed)
Male	1.956284	0.484865	0.496053	106	0.775
Female	1.929078	0.496053			

On average the turnover for male (M=1.956284, SD=0.484865) and female (M=1.929078, SD=0.496053),  $t(106)=0.496053$ ,  $p=.3775 > .05$ . Therefore there is no statistically significant difference observed between male and female counterparts when it comes to turnover.

#### **4.5.2. AGE AND TURNOVER**

An independent sample t-test was conducted to compare and uncover any significant difference between ages (cut point 30 years) when it comes to turnover.

**Table 4.8: Comparison of mean for age groups**

	Mean	Standard deviation	t-test	df	Sig (2 tailed)
30 & above	2.045977	0.442971	1.315453	106	0.191
Below 30	1.907173	0.500532			

On average the turnover for those respondents below the age of 30 and above (M=2.045977, SD=0.442971) and those who are below 30 years old (M=1.907173, SD=0.500532),  $t(106)=1.315453$ ,  $p=0.191 > .05$ . Therefore there is no statistically significant difference observed between respondents below 30 years of age and those that are 30 and above when it comes to turnover.

#### **4.5.3. EDUCATION LEVEL AND TURNOVER**

A one was ANOVA test was conducted to see if there were any significant differences among the different categories of educational level and turnover. The first table is a matrix that displays the mean difference of each educational level category when it comes to turnover. The second table presents the combined comparison in each group. Therefore, there was a significant difference

between those respondents with diploma and those that have a second degree and above when it comes to turnover.

**Table 4.9 Comparison of mean for educational level**

**Multiple Comparisons**

Dependent Variable: Turnover

(I) Education Level			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Games- Howell	High School	Diploma	-.06562	.13766	.963	-.4502	.3189
		College Degree	.20000	.12732	.422	-.1655	.5655
		Second Degree and Above	.20000	.11055	.329	-.1451	.5451
Diploma	High School	High School	.06562	.13766	.963	-.3189	.4502
		College Degree	.26563	.10352	.057	-.0055	.5367
		Second Degree and Above	.26563*	.08202	.011	.0472	.4841
College Degree	High School	High School	-.20000	.12732	.422	-.5655	.1655
		Diploma	-.26563	.10352	.057	-.5367	.0055
		Second Degree And above	0.00000	.06316	1.000	-.1682	.1682
Second	High School		-.20000	.11055	.329	-.5451	.1451

## Multiple Comparisons

Dependent Variable: Turnover

(I) Education Level		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Degree and Above	Diploma	-.26563*	.08202	.011	-.4841	-.0472
	College Degree	0.00000	.06316	1.000	-.1682	.1682

**Table 4.10 one way ANOVA for educational level**

	Mean	Standard deviation	F	df	Sig
High school Diploma	2.2	0.349603	2.430708	3	0.069
Diploma	2.265	0.568233	0.566574	1	0.453
College Degree	2	0.437595	4.958030	1	0.02
Second Degree and Above	2	0.000000	1.167047	2	0.315

### 4.5.4. POSITION CATEGORY AND TURNOVER

A one way ANOVA test was conducted to see if there were any significant differences among the different categories of position of respondents within the organization and turnover.

**Table 4.11: Comparison of mean for position within organization**

	Mean	Standard deviation	F	df	Sig
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**Multiple Comparisons**

Dependent Variable: Turnover

(I) Position Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
				Lower Bound	Upper Bound	
Games- Howell	Top Level Supervisor/Middle Level	-.04798	.16465	.954	-.4583	.3623
	Non-Management	-.05150	.13202	.920	-.3933	.2903
	Supervisor/Middle Level	.04798	.16465	.954	-.3623	.4583
	Non-Management	-.00352	.12902	1.000	-.3236	.3165
	Non-Management	.05150	.13202	.920	-.2903	.3933
	Supervisor/Middle Level	.00352	.12902	1.000	-.3165	.3236

Top Level Management	2.090909	0.391675	0.049971	2	0.951
Supervisor (Middle Level)	2.138889	0.486753	0.099493	1	0.753
Non-Management	0.524532	0.059014	0.019652	1	0.782

**Table 4.12 One way ANOVA for position within the organization**

As it can be seen from the above summary tables there is no statistically significant difference in the mean of top level management, middle level management and non-management respondents when it comes to turnover.

#### **4.5.5. WORK EXPERIENCE AND TURNOVER**

An independent sample t-test was conducted to compare and uncover any significant difference between work experience of respondents (cut point 5 years of experience) when it comes to turnover.

**Table 4.13 Comparison of mean for work experience**

	Mean	Standard deviation	t-test	df	Sig (2 tailed)
Below 5 years of experience	1.797619	0.503236	3.403995	106	0.000
Above 5 years of experience	2.102564	0.420283			

The independent t-test reveals that there is a difference between those respondents below five year of experience (M=1.797619, SD=0.503236) and those who have more than five years of experience (M=2.102564, SD= 0.420283),  $t(106)= 3.403995$ ,  $p< .05$ . This indicates that there is a significant difference between those respondents that have five years of experience & above with those that have less than five years of experience.

#### 4.6. THE RELATIONSHIP AMONG EXTRACTED FACTORS

After the factory analysis was conducted, a weighted average method was used to obtain a composite score (factor score) of each respondents for each factor. As mentioned earlier there were six factors that were extracted. Both Pearson correlation were conducted to examine and assess the strength and the direction of relationship between and among those factors.

##### 4.6.1. RELATIONSHIP AMONG PREDICTOR FACTORS

**Table 4.14 Correlation among predictor factors**

Factors	Mean	Standard Deviation	1	2	3	4
Employee Relation	2.6283	0.6173	1			
Career Development	1.7654	0.56647	.098	1		
Extrinsic Factors	2.75	0.58804	0.317	.053	1	
Intrinsic Factors	2.3685	0.54286	.126	-.087	0.2	1

The above table summarizes the relationship between factors that influence turnover and also gives the mean and standard deviation for those factors. From the table it can be seen that there is no multicollinearity indicating that there is no strong relationship between the predictor factors. The table indicates that all factors seem to have a positive relationship with the exception of the relationship between intrinsic factors and career path development.

##### 4.6.2. RELATIONSHIP BETWEEN TURNOVER AND PREDICTOR FACTORS

Pearson correlation was used to test the relationship between career path development and turnover. The Pearson correlation results revealed a weak and inverse relationship between career path development and turnover. This indicates that a more pervasive and fairly well implemented career path development programs assist in retaining employees and reducing turnover. This

result is consistent with the results of assessment made by O'Leary, Deegan, 2005 as well as Stalcup & Pearson, 2001 who identified limited career as causes of employee turnover.

The results of the person correlation between turnover and career path are summarized below. Further, Taylor (1997) pointed out that in order to retain employees, organizations must offer career advancement opportunities, failing which they may find it difficult to retain qualified employees

**Table 4.15 correlation between career development and turnover**

**Correlations**

		Turnover	Career Development
Turnover	Pearson Correlation	1	-.123**
	Sig. (1-tailed)		.000
	N	108	108
Career Development	Pearson Correlation	-.123**	1
	Sig. (1-tailed)	.000	
	N	108	108

The Pearson correlation between employee relation factors and turnover returned a magnitude of -.589 which indicates that there is a stronger and similarly inverse correlation between employee relation and turnover than there is between career path development and turnover. Employee relation factor includes variables like leadership style, recognition for a job well done, availability of conflict resolution mechanisms, assertive communication, availability of succession plans and concerns for employee welfare. The proper implementation and application of those dimensions of employee relation can have a significant and by far the strongest impact on employees decision to stay or leave the hotel. The results of this analysis are consistent with Boxall *et al.* (2003) who found that unhappiness with co-workers, commuting to work, difficult relationship with the supervisor, unrealistic expectations from job, lack of promotion elsewhere, non-redressed of

grievances, non-recognition of employee merit may lead to turnover intention resulting into actual turnover.

**Table 4.16: correlation between employee relations and turnover**

**Correlations**

		Turnover	Employee Relations
Turnover	Pearson Correlation	1	-.589**
	Sig. (1-tailed)		.000
	N	108	108
Employee Relations	Pearson Correlation	-.589**	1
	Sig. (1-tailed)	.000	
	N	108	108

There is a weak and yet again inverse correlation between extrinsic factors like salary & benefits, job security, the availability transport facility, medical insurance, food and other allowances with turnover. The results of the correlation are summarized below. Similar empirical studies (Kinnear & Sutherland, 2001; Maertz & Griffeth, 2004; Meudell & Rodham, 1998;) have revealed that factors such as competitive salary, use of bonuses & other benefits as well as job security were reported by employees as key motivational variables that influenced their retention in the organizations. In other words extrinsic factors do play a crucial role to keeping employees at the hotel.

**Table 4.17: Correlation between extrinsic factors and turnover**

**Correlations**

		Turnover	Extrinsic Factors
Turnover	Pearson Correlation	1	-.380**
	Sig. (1-tailed)		.001
	N	108	108
Extrinsic Factors	Pearson Correlation	-.380**	1
	Sig. (1-tailed)	.001	
	N	108	108

The result of the Pearson correlation between intrinsic factors and extrinsic factors is weaker than the relationship with extrinsic factors and turnover. However, the same inverse relationship exists between intrinsic factors and turnover indicating that the more employees are satisfied with their job and exhibit goal oriented behavior, the less likely they are to quit and look for other opportunities. The intrinsic factors that were considered for this study include control and freedom over work, team work, job satisfaction, target achievement and the need to achieve work experience.

**Table 4.18 Correlation between intrinsic factors and turnover**

**Correlations**

		Turnover	Intrinsic Factors
Turnover	Pearson Correlation	1	-.158
	Sig. (1-tailed)		.037
	N	108	108
Intrinsic Factors	Pearson Correlation	-.158	1
	Sig. (1-tailed)	.037	
	N	108	108

**4.6.3. Regression Analysis**

The results of the regression analysis for the independent and dependent variables is shown in Table

**Table 4.19 Regression Analysis**

Variables	Coefficients	Standard Error	t-value	Sig
Constant	.346	.317	1.094	.000
Career Development	-.046	.066	.706	.000
Employee Relation	-.495	.063	7.890	.000
Extrinsic Factors	-.119	.060	1.991	.049
Intrinsic Factors	-.014	.062	.227	.021
F Static	F(8,99)=14.403			.000
R2 (Adjusted R2)	.538 (.501)			

As shown in the multiple regression table, the coefficients of the regression for career development (0.046,  $p < 0.01$ ), employee relation (0.46,  $p < 0.01$ ), extrinsic factors (0.119,  $p < 0.05$ ), intrinsic factors (0.014,  $p < 0.05$ ) are significant and do in fact influence turnover. It can be inferred from the regression analysis that the most influential factors of turnover is Employee relation which pertains to dimensions like availability of conflict resolution mechanism, recognition of a job well done, leadership style, assertive communication, use of succession plans, concern for welfare of employees and availability of promotion opportunities.

Extrinsic factors are also significant predictors of turnover and relate to organizational elements like salary & benefits, job security, the availability transport facility, medical insurance, food and other allowances with turnover. Previous studies done by Kinnear & Sutherland, 2001; Maertz & Griffeth, 2004; Meudell & Rodham, have also revealed that extrinsic factors do influenced turnover and subsequent employee retention in the organizations.

Career development also is a significant predictor and includes dimensions like clear career path, training, coaching, mentorship, sponsorship, professional mentorship, seminars & conferences for skill advancement on employee turnover.

Last but not least, the results of the regression analysis imply that intrinsic factors are also significant predictors of turnover. Intrinsic factors such as job satisfaction, the need to achieve work experience, team work and having autonomy on job factors do contributes to employees decision whether to stay with or leave the organization

## **CHAPTER FIVE**

### **5. CONCLUSION, MANAGERIAL IMPLICATION AND RECOMMENDATION**

The chapter begins with a conclusion, then to the managerial implication and theoretical contribution. It ends with suggestion for future research.

#### **5.1. CONCLUSION**

It has been well established that turnover poses a significant direct and indirect cost to organizations. Dream liner hotel isn't an exception to this fact and has a high rate of turnover rating at 26% per year. Furthermore turnover has negative implication for the organization as it results in lower productivity, lower employee commitment, loss of experienced personnel and costs associated with learning curve for new employees.

The main purpose of this research is to identify factors that contribute to employee turnover in the context of dreamliner hotel. This was done through factor extraction using principal axis factoring eigenvalue of one or above and factor loading above 0.4.

There were mainly four significant factors that were identified. These factors include employee relation, career path development, intrinsic factors and extrinsic factors.

The employee relation factor is the one that showed the highest magnitude of correlation with turnover. Employee relation factor encompasses dimensions like availability of conflict resolution mechanism, recognition of a job well done, leadership style, assertive communication, use of succession plans, concern for welfare of employees and availability of promotion opportunities. Turnover and employee relation have an inverse relationship indicating that lack of solid and good employee relation practice prompts employees to start to look for other opportunities.

The other factor identified relates to career development. This factor compares the influence of clear career path, training, coaching, mentorship, sponsorship, professional mentorship,

seminars & conferences for skill advancement on employee turnover. The results indicated that indeed lack of career path, and related dimensions in work setting is positively related to turnover revealing that the presence clear career path and other career development factors encourages employees to stay put at the organization.

The third cause of turnover identified relates to intrinsic factors such as job satisfaction, target achievement and the need to achieve work experience, team work and having autonomy on job factors. As stated earlier, intrinsic factor refers to behavior that is driven by internal rewards. Determinants of turnover intentions can be understood from the association between intrinsic factors like job satisfaction, organizational commitment and target achievement (Okpara, Squillace, & Erundu, 2005). The lack of progress in intrinsic factors is positively correlated with turnover indicating that intrinsic factors are inversely correlated with turnover.

The final relevant cause of turnover pertains to extrinsic factors. This factor encompasses dimensions like salary and benefit, food & allowances, medical insurance, job security and the availability of transport. This factor is also inversely related to turnover indicating that employees are more likely to live the organization in anticipation of better pay and benefits. The results also indicate that the magnitude of relationship is higher between extrinsic factors and turnover than intrinsic factors and turnover signifying that extrinsic factors are more powerful determinants than intrinsic factors when it comes to the employees of Dreamliner hotel.

Another relevant evaluation revealed is whether statistically significant relationship exist between demographic factors and employee turnover. There were no statistically significant differences between male and female respondents when it comes to turnover. The same can be said for the inquiry made regarding age and Position within the organization. However a statistically significant difference in mean was observed among respondents when it comes to work experience and educational level.

## **5.2. MANAGERIAL IMPLICATION**

The practical contribution of this study is that it explicitly provides answers relating to what were the causes of employee turnover in Dreamliner hotel.

Those holding the management position must be aware of the imperative importance employee relation factors. Top and middle level management must pave the way to instill a reliable and timely conflict resolution system, recognize and encourage employees for a job well done, and implement succession plans.

The pay and benefit structure of the organization also plays a crucial role next to employee relation factors. The analysis revealed that the second deciding factor whether an employee decides to leave or stay with the organization pertains to extrinsic factors with emphasis for monetary gains. Therefore, the manager and the hotel as a whole should consider offering employees a fair but competitive reimbursement for securing their services.

Intrinsic factors come in as the third significant determinants of turnover. Managers there for should devise different motivational theories like Maslow's hierarchy of needs, Herzberg hygiene motive theory, and the more contemporary job design or any other based on the situational fit will suffice.

Finally even though the analysis revealed a small correlation between career development and turnover, career path development emerged as a determinant factor of turnover. Training, coaching, and different skill advancement programs specific to a job should be designed and implemented so that employees can gain a sense of fulfillment and pride in their jobs.

## **5.3. RECOMMENDATION FOR FUTURE RESEARCH**

Though this study has assessed employees' viewpoints with regard to core variables, namely, employee relations, career development, intrinsic and extrinsic factors that influence

turnover, there are other different determinants that have been not been included as the model only explain 60.14% of the variance in turnover. Thus, for further study it is suggested that turnover have to be assessed for all relevant factors. This would help in designing a more comprehensive and effective strategies for the overall improvement of the healthcare services.

Future studies should also inquire about turnover from other public and private hotels in order to compare the differences in services delivered by identical institutions and make a generalization about the hotel sector. Moreover in countries like Ethiopia, where public and private hotel services are provided side by side, it becomes important to have a comparative study of both types of institutions to better understand the behavior of employees when it comes to turnover.

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## **APPENDIX I: LETTER OF INTRODUCTION**

**Dear Sir/Madam,**

### **RE: REQUEST FOR YOUR PARTICIPATION IN THIS RESEARCH PROJECT**

I am a studying Executive Masters Business Administration at the Addis Ababa University, Faculty of Business and economics. In partial fulfillment of the requirement for EMBA, I am conducting a research on the factors influencing staff turnover among star rated hotel in Addis Ababa, a case of Dreamliner Hotel.

I am glad to inform you that you have been selected to form part of the study. I would therefore kindly request you for assistance in completing the attached questionnaire which forms a major input of the research process. The information and data will strictly be used for academic purposes only and strict confidence shall be observed on the identity.

Your cooperation will go a long way in ensuring the success of this project.

I would like to thank you in advance for your time and consideration.

**YONAS TEFERI GULTE**  
Addis Ababa University,  
Faculty of Business and economics,  
P.O Box 15865,  
Addis Ababa



## APPENDIX II: RESEARCH QUESTIONER

The information provided will only be for the purpose of this study. Read carefully and give appropriate answers by tick or filling the blank spaces. The information will be treated as confidential.

### PART I: GENERAL INFORMATION

#### 1. Please Indicate your gender

MALE <input style="width: 40px; height: 20px;" type="checkbox"/>	FEMALE <input style="width: 40px; height: 20px;" type="checkbox"/>
--	--

#### 2. Please Indicate Your Age Category

< 30 years <input style="width: 40px; height: 20px;" type="checkbox"/>	30 – 34 years <input style="width: 40px; height: 20px;" type="checkbox"/>	35 – 39 years <input style="width: 40px; height: 20px;" type="checkbox"/>	40 – 44 years <input style="width: 40px; height: 20px;" type="checkbox"/>	> 45 Years <input style="width: 40px; height: 20px;" type="checkbox"/>
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#### 3. Work Experience (not only DH)

<2 years <input style="width: 40px; height: 20px;" type="checkbox"/>	1 – 4 years <input style="width: 40px; height: 20px;" type="checkbox"/>	5 – 10 years <input style="width: 40px; height: 20px;" type="checkbox"/>	11 – 20 years <input style="width: 40px; height: 20px;" type="checkbox"/>	>21 Years <input style="width: 40px; height: 20px;" type="checkbox"/>
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#### 4. Indicate The Department You Are In The Hotel

.....

#### 5. Indicate your Position category in Dreamliner Hotel

Top Management <input style="width: 40px; height: 20px;" type="checkbox"/>	Supervisors /Middle level managers <input style="width: 40px; height: 20px;" type="checkbox"/>	Non-management <input style="width: 40px; height: 20px;" type="checkbox"/>
--	--	--

#### 6. Educational Back ground

Elementary	<input style="width: 30px; height: 20px;" type="checkbox"/>
High School	<input style="width: 30px; height: 20px;" type="checkbox"/>
Diploma	<input style="width: 30px; height: 20px;" type="checkbox"/>
College Degree	<input style="width: 30px; height: 20px;" type="checkbox"/>

Second degree and above

**PART II: FACTORS INFLUENCING HIGHSTAFF TURNOVER IN STAR RATED HOTEL;**

(PLACE A CHECK MARK  TO INDICATE YOUR CHOICE)

**7. How would you perceive staff turnover or the rate of employee leave your Hotel is ? (Tick one)**

VERY HIGH

HIGH

MODERATE

NEGLIGIBLE

- **INTRINSIC FACTORS (will not appear In final questioners)**

**8. How Do The Following Factors Keep Or Retain You To Stay In The Hotel?**

	VERY HIGH	HIGH	MODERATE	NEGLIGIBLE
Target Achievements.				
Control And Freedom Over Your Work				
Team Work				
Job Satisfaction				
The Need To Achieve Work Experience				

- **EXTRINSIC FACTORS (will not appear In final questioners)**

**9. How would you rate the extent to which the following factors influence your decision to stay in the hotel?**

	VERY HIGH	HIGH	MODERATE	NEGLIGIBLE
Salary and benefits				
Job security				
Transport facility				

<b>Medical Insurance</b>				
<b>Food &amp; other allowance</b>				

- **CAREER DEVELOPMENT (CD) (will not appear In final questioners)**

**11. Would you consider lack of clear career path as a major influence to staff turnover in your organization tick appropriately?**

**YES**  **NO**

**12. If yes Rate by ticking, how the following factors influences have facilitated career development and staff retention in your hotel.**

	Strongly Disagree	Disagree	Agree	Strongly agree
<b>Training (Internal &amp; External) for higher responsibilities</b>				
<b>Coaching, Mentorship for succession</b>				
<b>Professional Networking within the Hotel</b>				
<b>Seminars ,conferences for skills advancements</b>				
<b>Academic &amp; professional sponsorship</b>				

**13. In your opinion, would you consider a career change/move**

**YES**  **NO**

14. List the most important reason that will influence your decision in Q13 above

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- **EMPLOYEE RELATIONS**

**15. Rate how the following factors will influence staff Turnover in your organization**

	Very great Extent	Great extent	Moderate Extent	Lower Extent
<b>Proper Employee welfare</b>				
<b>Need for promotions</b>				
<b>Availability of Conflict Resolutions mechanisms</b>				
<b>Recognition for job well done</b>				
<b>Leadership styles</b>				
<b>Assertive communication within organizations</b>				
<b>Succession plans within organization structures</b>				

16 In your opinion list any other factors which helps the hotel to reduce its employee turn over

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## APPENDIX III: ROTATED FACTOR MATRIX

Rotated Factor Matrix<sup>a</sup>

	Factor					
	1	2	3	4	5	6
Rate of Turnover					.539	
Target Achievement				.659		
Control and Freedom Over Your Work				.545		.425
Team Work				.648		
Job Satisfaction				.746		
The Need to Achieve Work Experience				.630		
Salary and Benefits			.572			
Job Security			.488			.498
Transport Facility			.724			
Medical Insurance			.672			
Food and Other Allowance			.762			
Does lack of career path influence staff turnover		.617				
Training for higher responsibilities rating		.816				
Coaching, Mentorship for success		.857				
Professional Networking within the hotel		.733				
Seminars,Conferences for skill advancements		.811				
Academic and Proffesional Sponsorship		.786				
Would you consider a career change					.493	
Turnover Influence Factor-Proper Employee Welfare	.547				.505	.470
Need of Promotion	.646				.568	
Availability of Conflict Resolution Mechanisms	.703					
Recognition for a job well done	.696					
Leadership Stlye	.760					
Assertive Communication Within Organization	.783					
Succession Plans within Organization Structures	.736					

Extraction Method: Principal Axis Factoring.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 11 iterations.