

**THE EFFECTS OF JOB SATISFACTION ON EMPLOYEES'  
TURNOVER INTENTION IN  
ADDIS ABABA HOUSING CONSTRUCTION PROJECT OFFICE**



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Master of Arts in Human Resource Management**

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**“THE EFFECTS OF JOB SATISFACTION ON EMPLOYEE TURNOVER**

**INTENTION: A CASE OF ADDIS ABABA HOUSING CONSTRUCTION**

**PROJECT OFFICE”**

**BY**

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### **Declaration**

I, Awoke Wosene declare that “**The effects of Job Satisfaction on Employee Turnover Intention**” a case of Addis Ababa Housing Construction Project Office is my own work, that has not been submitted for any degree or any other examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete reference. It is submitted for the degree of Masters of Art in Human Resource Management to Addis Ababa University School of Commerce Graduate Program.

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## **LIST OF ABBREVIATIONS**

AAHDPO: Addis Ababa Housing Development Project Office

SPSS: Statistical Package for Social Sciences

## **Abstract**

*The purpose of the study is to examine effect of job satisfaction on employee turnover intention in Addis Ababa Housing Development Project Office. The study hypothesized that there are significant negative relationships for the four factors of job satisfaction which is pay and benefit, career development, work environment and distributive justice in the turnover intention of the professional employees' at AAHDPO. Employee turnover intention has a major problem in construction sector because of work load and stress. Addis Ababa Housing Development Project Office is one of those construction projects run by government that suffer high rate of employee turnover intention. From the total of 2284 professional and semiprofessional personnel, 340 permanent employees were selected through stratified random sampling from five locations/clusters. To collect primary data structured questionnaires' were distributed to 340, out of which 315 (92.6%) usable questionnaires were collected. The collected data were analyzed using SPSS version 20. The tests involved were ANOVA, Pearson Correlation Coefficient and Multiple Regressions. The results show job satisfaction factors such as pay and benefit, career development, work environment, and distributive justice and turnover intention have significantly negative relationship.*

*These findings show that the related factors should have given attention to retain employees in the organization. Some suggestions have been recommended for the organization and for future research to be more complete and comprehensive.*

*Key words: turnover intention, job satisfaction, pay and benefit, work environment, distributive justice*

## **CHAPTER ONE**

### **INTRODUCTION**

An introduction part of this project comprises several sections. The first section discusses about the research's background, problem statement, and research question, objective of the study, scope of the study, significance of the study and organization of the paper. These sections are discussed respectively.

#### **1.1 Background of the Study**

In human resources context, staff turnover is the rate at which an organization gains and losses employees (Afework, 2015). Staff turnover describes the number of staff who leaves an organization compared with the number of people who remain employed. High staff turnover rate is a warning sign of low morale according to Rahman(2012) cited in Aman (2015), employee turnover refers to simply the movement of employees out of an organization. It is a negative aspect, which might lead to the failure of employee retention strategies in the organizations. leaving of job appears to reflect significant work place problems, rather than opportunities for advancement into better jobs.

It is generally considered undesirable to have high employee turnover, because this means that the organization will be made up of mostly new hires without many years of experience. High turnover may be harmful to an organization's productivity if experienced and qualified staffs are often leaving. The result of high turnover is that new employees constantly need to be hired and trained, which can get expensive and time-consuming. (Afework, 2015)

High staff turnover rates constitute the most undesirable situation for any organization. However, staff turnover is unavoidable and the aim/efforts should be to minimize the effects of the staff turnover rather than preventing it.

Job satisfaction has a negative impact on turnover intention. High job satisfaction is associated with low turnover intention, and low job satisfaction leads toward high turnover intention. Job satisfaction is the best indicator of employee intention to perform (Saed, Waseen, Sikander, & Rizwan, 2014)

In order for an organization to be successful, it must continuously ensure the satisfaction of their employees (Berry, 1997). An organization with more satisfied employees tends to be more effective (Robbins & Judge, 2007). Besides, happy workers are more likely to be productive workers. Human resources of an organization are the most important assets or resources to enable organizations to do their business. Without human resource, organizations will not be able to implement the developed business plan and retaining them has become a challenge to organizational management because of varied employee needs. (Masri, 2009)

It is difficult for management to decide what makes employees happy – to understand and to provide the employee needs. Further (Masri, 2009) explained Employee turnover demands serious management attention because of its high performance levels, it puts pressure on the organization scarce resources which turn to be costly, people tend to change jobs within a year rather than choose to grow in one. Thus, it is important to retain workers in the organization like construction industry especially competent senior staff or skill workers to achieve its objective.

Construction industry has become an important player in the economy of both developed and developing nations (Takim, 2005). Olawale (2010) stated that construction industry contributes to the GDP and employment rate of many nations and for this reason it is considered very important for the economic development of any nation. Moreover, the author also agreed that construction activities have become a significant market due to the fact that this industry procures products and materials from other businesses in other sectors.

Ethiopian Economic Association (2008:14) reported that, since 2003/2004, the economy of Ethiopia has undergone rapid growth. Hussen (2015) stated that, the construction industry is one of the key areas that the government of Ethiopia gives focus as one of the cornerstones of development and every year's significant amount of money is budgeted. It is found out that construction industry constitutes an important element of Ethiopian economy, and it is the main motivating force particularly in Addis Ababa city. The government of Ethiopia estimates that the current housing deficit is between 900,000 and 1,000,000 units in urban areas, and that only 30 per cent of the current housing stock is in a fair condition, with the remaining 70 per cent in need of total replacement (UN-HABITAT, 2011).

According to UN-HABITAT, (2011) in Addis Ababa alone, 300,000 units are required to meet the current housing deficit. This figure shows 2011 projection. However, the current housing demand is more than 300 thousands units. The housing deficit is set to increase concurrently with the foreseen high population and urbanization growth. According to Yimenu(2016) between 1983 and 2007, Ethiopia's population is more than doubled, from 33.5 million to 81.2 million, and it is projected to more than double again by 2050 to reach 170.2 million. To accommodate future growth, the Urban Sector Millennium Development Goals Needs Assessment (2004) predicted that to meet the Millennium Development Goals in 2015 requires a total of 2,250,831 units, which equates to a considerable 225,000 houses per annum (UN-HABITAT, 2011: 6). According to African Union for Housing Finance (2015) statement the existing housing stock in Addis Ababa is generally of poor quality, with many settlements congested and unplanned. Using the UN-HABITAT slum definition, 80 per cent of Addis Ababa is a slum with 70 per cent of this comprising government owned rental housing. According to Meseret (2015) in Addis Ababa, slum dwellers live in congested houses that

have no access to roads, sanitation and basic infrastructure. The majority of low-income Ethiopians reside in these rented kebele houses.

Understanding the existence of such multi face in housing problems and needs, the Addis Ababa City Administration had been implemented an ambitious government-led low and middle income housing program in 2005: The Integrated Housing Development Program (IHDP) later become Addis Ababa Housing Construction Project office AAHCPO. Initially the goal of the program was to construct 400,000 units, create 200,000 jobs, promote the development of 10,000 micro and small enterprises, enhance the capacity of the construction sector, regenerate inner-city slum areas, and promote homeownership for low-income households (UNHABITAT, 2011: Vii). AAHCPO raised its construction capabilities from time to time. However, a number of unanticipated challenges facing the program. The most pressing is the affordability of the units for low-income households, with the continuous cost increases in the price of condominium houses deeming them no longer an option for many low-income households (Yimenu2016).

Furthermore, the inability to pay the monthly mortgage and service payments forces many households to move out of their unit and rent it out rather than risk losing it through bank foreclosure. The quality and design of condominium blocks and the post-occupancy management are also critical factors that must be addressed to improve the sustainability of the program (UNHABITAT 2011: vii).

This shows there is much to do by the Addis Ababa Housing Construction Project Office to meet its objectives. However, it is being challenged with frequent employee turnover. This research attempts to assess employees' job satisfaction and turnover intention in this Project Office.

## 1.2 Statement of the Problem

Human resources are the most valuable assets in any organization. The same is true to the construction industry. When employees frequently leave, it is an indication that the organization is in trouble. Management and leadership needs to motivate and reward high performance employees in order to prevent them from leaving. Masri (2009) pointed out by knowing the factors contributing to the employees' satisfaction; organizations can plan properly and take appropriate step to increase positive behavior among employees.

According to the annual report of Addis Ababa Housing Development Project Office (2016), turnover among skilled personnel at the project is substantially high.

Table 1 show that the employee turnover has increased twenty fivefold over the last five years. Moreover, the turnover was the highest during 2016.

**TABLE 1.1: EMPLOYEE TURNOVER INFORMATION**  
**For the Years 2012-2016**

Year	Total No of employees in the project	No. of employees left the project	Percentage
2012	1205	24	2%
2013	1830	96	5.24%
2014	2109	111	5.26%
2015	2316	249	10.75%
2016	2284	645	28.24%

*Source: annual report AAHDPO (2016)*

According to AAHCPO (2015) GTP I report noted that, on construction sites there are inadequate infrastructures, lack of water supply, lack of transportation facilities, too much wastage of materials and unable to integrated between suppliers, contractors, consultants and MSE's. All these show us there is a problem in project planning and execution management. The performance of each branch varies depending on their capabilities and ability of HR.

AAHCPO is relied not on machineries or other fixed assets, but human brain or skills and qualification of its human resource. While rendering professional work such as study, design preparation, contract administration, foreign and local procurement and material management; the project needs professionals with high skills and qualification with required competency on areas of Engineering works, procurement and supply management and related study. The importance of employee's motivation, inspiring, maintaining and proper human resources management of the project has a great value in construction project to achieve the desired objectives. However, dissatisfaction and turnover of the employees is recognized as one of the major cause of construction delay and the main causes of poor performance in many projects. Yimenu(2016)

According to Aman (2015) Frequent turnover of employees, could cost the project in terms of productivity (performance), money and time. In addition, Solomon (2007) stated that beside loss in productivity, money and time, the organization also losses in terms of some indirect costs like lowering of existing employee morale that may be due to increased work or due to the arousing dissatisfaction with the organization.

Hence the study tries to identify problems arising like pay, carrier development and the working environment which lead to dissatisfaction among personnel and possible causes of high turnover.

### **1.3 Basic Research Questions**

The following are basic questions of the study

1. What is the level of job satisfaction in AAHCPO?
2. What is the level of intention to leave in AAHCPO?
3. What is the effect of satisfaction on intention to leave in AAHCPO?
4. What are the factors of satisfaction affecting turnover more?

## **1.4 Objectives of the Study**

The objectives of the research are divided into two parts; that are the general objective and the specific objectives.

### **1.4.1 General Objective**

The general objective of the study is to investigate the relationship between job satisfaction and turnover intention.

### **1.4.2 Specific Objectives**

The specific objectives of the study are:

1. To examine the level of job satisfaction in Addis Ababa Housing Project office
2. To examine the level of intention to leave in Addis Ababa Housing Project office
3. To examine the effect of job satisfaction on intention to leave.
4. To assess which factors of job satisfaction affecting turnover intention more.

## **1.5 Scope of the Study**

The scope of the study is bounded by geographical, time and human resource management. In terms of geographic coverage this study is dedicated to cover AAHCPO main office and its 18 branches particularly 20/80 condominium houses scheme or program. This program is an integrated that aims to solve multiple problems that face the city. Due to time and other constraints, It does not consider contractors, consultants, and MSE employees and also exclude other types of construction projects such as 40/60 government led housing programs, private owners, and real estate developers.

With regard to time coverage, since the AAHCPO is ongoing program beginning 2003/2004 the study is limited in its five years actual turnover between 2012-2016. In terms of human resource practice, the research will focus on only effects of job satisfaction on employees' turnover intentions in AAHCPO. In addition, only four factors of job satisfaction that influence turnover intention of the

workers is being investigated namely, pay, work environments, career development and distributive justice. Besides this factors other factors, such as organizational commitments and culture, supervision, co-workers and others can influence turnover intention, which are not being considered this study.

### **1.6 Challenge and Limitations of the Study**

The study is only limited to the experience of AAHCPO. Only existing employees will selected as respondents and key informant interviews and it does not include employee who has left the organization. To fill the gap secondary data which they have filled on clearance are referred. Besides The respondents absent to complete the questionnaire, in addition some respondents miss certain items. To overcome such challenges the researcher tried to encode the data precisely. Moreover, some of the respondents did not come on time thus the researcher orient and guide them independently.

### **1.7 Significance of the Study**

The turnover rates at AAHCPO for the past four years have been significantly rising. To alleviate such multi faced problem the project office will use this study as a mirror where the project stands in terms of human resource management practice.

At the same time, the valuable information generated from this study also gives a clearer picture to the project regarding workers' concern of turnover. It can help the project to generate some useful ideas during the human resource planning as an effort to increase the workers' satisfaction and decrease the workers' intention to leave. In addition, the following benefits could be obtained from the research:

- The result could give lesson to the situation of other similar types of construction projects such us 40/60 Government led housing programs, private owners, and real estate developers.;
- It can contribute to the existing knowledge and practice of retaining of employees through job satisfaction in the context of Government led housing programs;
- It will serve as a baseline for subsequent researches on the impacts of job satisfaction on employees' turnover intention.

### **1.8. Organization of the Study**

This thesis is organized into five chapters. The first chapter is an introductory chapter. It includes background of the study which gives insight on job satisfaction and turnover intention base for the study. Statement of the problem answers why this research will be conducted. General and specific objectives of the study are also included in this chapter based on the research questions given in the statement of the problem. Significance of the study which is about who will be benefited from the finding of this research is also part of this chapter, Scope and Limitation of the study, and definition of key concept. Chapter Two will present a review of literature that would be gathered from both conceptual and empirical literature source. Chapter Three will present research methodology. Chapter Four presents the results of the data analysis and discussions, and Chapter Five presents the conclusions and recommendation of the research.

### **1.9 Definition of Terms**

The research will use some conceptual and operational words that related to the research objectives to define some of the terms in this study. The definitions are as follow:

1. **Job satisfaction:** Job satisfaction is more of an attitude, an internal state. It could, for example, be associated with a personal feeling of achievement, either quantitative or qualitative (Mullins, 2005).
2. **Turnover:** The term “turnover” is defined by Price (1977) cited by Abadli (2011) as: “The ratio of the employees of organization who left in a particular period of time with the average number of employees in that organization during the same period of time”.
3. **Turnover intention:** It is a measurement of whether a business or organization employee a plan to leave their position. Nelson (1999) cited by Masri (2009) defined intention to quit as the ‘individual own estimated probability (subjective) that they are permanently leaving their organization at some point in the near future.
4. **working conditions:** In which an individual or staffs works, including but not limited to such things as physical environment, stress, degree of safety or danger
5. **Pay:** It is a fixed salary or wages that constitute the rate for the job.
6. **Promotion:** It is evaluation to higher job accomplished by increase pay and privilege. It is upwards advancement of an employee in an organization, which commanded better pay, better safety, higher opportunity, higher responsibility and better working environment

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

In this section, literatures with respect to aim of the study thoroughly expounded. The first variables, job satisfaction and turnover intention are going to be dealt starting from the conceptual framework, types of turnover, measuring employee turnover, cause of turnover, theory of job satisfaction and research framework are elaborated in detail. Several researches are going to be discussed in relation to the intended purpose will be expounded very briefly.

#### **2.1. Overview of employee's turnover and Turnover Intention**

##### **2.1.1 Definition of Turnover Intention**

Intention to turnover refers to an individual's perceived probability of staying or leaving an employing organization Mahdi, Nor, Sakat, Sulamin and Naim (2012) quoted Cotton and Tuffle (1986). According to Midina (2012) has defined turnover intention as an employee's consideration of leaving his organization and looking for a new job opportunity within a certain period of time, which is negative relationship between employee and employers. In addition, Liyanage and Galhena (n.d) is defined as turnover intention (or intent to leave /stay) is consequently considered as an outcome of affective variables (such as job satisfaction) rather than actual turnover. Vandenberg and Nelson (1999) quoted Masri (2009) employees' intention to quit as an individuals' estimated probability that they are permanently leaving their organization at some point in the near future. Intention to remain mirrors an individual's level of commitment to his/her organization and their willingness to remain employed (Hewitt, 2004).

Turnover intention is a serious issue especially today. According to Bigliardi, Petroniand Dormio(2005) cited from Masri (2009) intention to leave refers to individuals perceived likelihood that they will be staying or leaving the employer organization. These are the gaps that may be

explained by the researcher. Pay, working environment, career opportunity and distributive justice may serve as motivating factor to employee in order to stay an organization. Researchers such as Firth, Mellor, Moore and Loquet (2004); cited from Masri,(2009) believed that intentions are the most immediate determinants of actual behavior. The study found that, the more individual implemented behavior to quit the more likely he/she will leave the organization. Gregory (2007) supported the idea that behavioral intention to quit has been found to be strong predictor of personal turnover across industries and theoretically is believed to be an important antecedent to turnover. Bigliardi, Petroni and Ivo Dormio (2005), cited from Masri(2009) indicated that turnover is motivated by the dissatisfaction of the individual with some aspect of the work environment (including the job, co-workers or organization) or the organization with some aspect of the individual, such as poor performance or attendance. Hence, an employee with high withdrawal intention to leave the organization might finally leave his/her occupation. Carmeli (2005) also pointed out that; previous researchers also acknowledged that withdrawal intention is identified as a strong predictor of an employee's actual turnover.

### **2.1.2. Definition of Employee Turnover**

In human resources context, staff turnover is the rate at which an organization gains and losses employees (Afework, 2015). And also Yared (2007) pointed out that staff turnover is a sign of low morale and it is the amount of movement in and out of employees in an organization. It is generally considered undesirable to have high employee turnover, because this means that the organization will be made up of mostly new hires without many years of experience. High turnover may be harmful to an organization's productivity specifically project if experienced and qualified staffs are often leaving. The result of high turnover is that new employees constantly need to be hired and trained, which can get expensive and time-consuming.

High staff turnover rates constitute the most undesirable situation for any organization. However, it is unavoidable and the aim/efforts should be to minimize the effects of the staff turnover rather than preventing it. Different scholars have defined employee turnover in the following manner. For example, employee turnover is defined as a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees Hisson (2009). A huge concern to most companies, employee turnover is a costly expense especially in lower paying job roles, for which the employee turnover rate is highest. Many factors play a role in the employee turnover rate of any company, and these can stem from both the employer and the employees. Wages, company benefits, employee attendance, and job performance are all factors that play a significant role in employee turnover Beam cited by Hisson (2009). Companies take a deep interest in their employee turnover rate because it is a costly part of doing business. Employee turnover is considered to be one of the persisting problems in organizations (Armstrong, 2009)

The turnover means that another organization may gain a new knowledge employee who can become its competitive advantage. The loss of knowledge thus is a threat for the former organization, which increases the significance of knowledge continuity (*Hana and Lucie, 2011*). Similarly, other researcher defines turnover as a reduction in the number of employees through retirement, resignation, reassignment, transfer or other means than layoffs (Mani & Kumar, 2006).

In some studies employee turnover also indicate that turnover does not only include the voluntary termination of employment but also the involuntary termination of membership of an organization. According to Robbins (2003) definitions, turnover is the voluntary and involuntary permanent withdrawal from an organization, and a high turnover rate results in increased recruiting, selection, and training costs. However, this study will only focus on voluntary turnover.

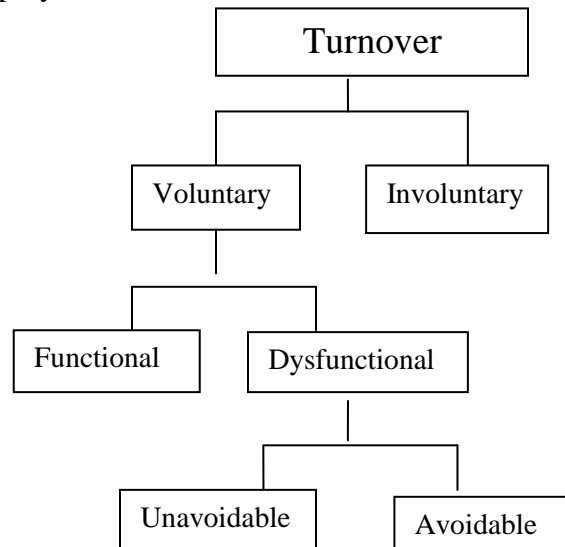
## **2.2. Types of Turnover**

Though there are many causes for staff turnover in an organization, all of them do not have negative impact on the well-functioning of an organization. According to Mullins (2005) cited by Mabindisa (2013) staff turnover can also be observed in terms of positive and negative influences. While positive turnover involves the creation of new jobs in recognition of a company's expansion, negative turnover demonstrates a contraction of company finances due to hard times. Positive staff turnover typically takes place on an individual or small group basis (Swanepoel, 2003) cited by Mabindisa (2013). This type of turnover involves individual consultations to inform personnel of their promotions, pay raises and additional responsibilities. These conversations are designed to keep personnel moves confidential while reducing frustration by workers who were not promoted.

According to Steers (2002), cited by Mabindisa (2013) negative staff turnover typically takes place on a larger scale with mass layoffs and firings common in the corporate world organizations should differentiate between voluntary and involuntary turnovers and take actions on the one that they have control. Voluntary turnovers are those caused by the interest of the employee (e.g. to take job in other organization for better salary). Voluntary turnover is defined as voluntary cessation of membership in an organization by an individual who receives monetary compensation for participating in that while involuntary turnovers are the decision of management to quit employees from work (e.g. dismissal for gross misconduct) Yared (2007). In general, all resignations not formally initiated by employers are voluntary resignations. Voluntary turnovers are further distinguished between functional and dysfunctional turnovers (Schermerhorn, 2002). Functional turnovers are the resignation of substandard performers and dysfunctional turnovers refers to the exit of effective performers. They also classified dysfunctional turnover, which is the most concern of management due to its negative impact on the organization's general performance, into avoidable

turnover (caused by lower compensation, poor working conditioned) and unavoidable turnovers (like family moves, serious illness, death, etc) over which the organization has little or no influence. Therefore, management should give special attention to avoidable turnover (Loquercio, 2007).The following chart adapted from Loquercio et al (2007) gives a clear picture of staff.

Figure 2.1 Types of Employee Turnover



Source: *Loquercio, Hammersely and Emmens. Understanding and Addressing staffs turn over in humanitarian agencies Number 55 Jun 2006*

### 2.3. Conceptual Framework of Employee Turnover Intention

The conceptual frameworks for the study taken employee turnover intention as dependant variable and, work environment, employee salary, job satisfaction, career development and distributive justice are taken as an independent variable.

The dependent variable, employee turnover intention, can be explained by the independent variables; salary, job satisfaction work environment, career development and distributive justice increase among workers, disagreement occurs and this leads to turnover intention . The above mentioned independent variables negatively impact turnover intention, the dependant variable. They can be seen as avoidable variables.

## 2.4. Measuring Employees Turnover

The employee turnover rate is usually calculated by dividing the number of employees separated from the company they were working for by the base number of jobs during the period. According to Hammeberg(2002)Employees who transfer to other positions within the same organization are not considered in the calculation, as well as those who retired, had their job phased-out or were terminated due to downsizing.

He further states Turnover rates for employees can be measured and compared over time and across companies using what is commonly referred to as the employee turnover index. The commonly used formula to calculate a basic turnover rate for any given period is described as:

$$\text{Turnover rate} = \frac{\text{Number of leavers in specified period (usually 1 year)}}{\text{Average number of employees employed during the same period}} \times 100$$

*Source: Armstrong, 2009*

Some companies add in the number of new positions added during the year to get a more accurate turnover figure. Employee turnover that results in vacancies caused by internal promotions are not included in most turnover statistics.

## 2.5. Source of Employee Turnover intention

Turnover basically arises from the unhappiness from job place for individual employee. But being unhappy in a job is not the only reason why people leave one company for another. If the skills that they possess are in demand, they may be lured away by higher pay, better benefits or better job growth potential. That's why it is important to know and recognize the difference between employees who leave the job because they are unhappy and those who leave for other reasons. There

are number of factors that contribute to employee turnover. We explore some of these factors in more detail below.

### **2.5.1. Pays and benefit**

Khan and Aleem (2014) cited Opkara (2002) in the study found that there are certain factor that influence the level of satisfaction of employee, these are composition, promotion opportunity, the work itself, relationship with coworker's and the supervision. The pay was considered dominant factor in measuring the job satisfaction of employee. Furthermore, they added job satisfaction increase with better pay and decrease turnover of employee. They were supported by Stephen author of dealing with the Problem of Employee Turnover, cited by Hisson (2009) most people feel that the major cause of employee turnover is the issue of salary.

Staff may leave their work positions due to low pay or when the availability of higher paying jobs is high (remuneration, benefits, imbalance between performance and reward);

Zerihun (2015) quoted Herbert, Donald, John, and Lee (2000) stated organizations pay level is a potentially important direct influence on voluntary turnover. In this knowledge era, where pay is one of a determinant factor, employees quits current job and accept the job with higher pay opportunity. Therefore, organizations should be critically aware that low wage rate will result into higher employee turnover intention and separation.

Griffeth. (2000) cited by Zerihun (2015) noted that pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa.

For all the concerned with positive relationship and interesting work, it is important to keep in mind that employees definitely care about their earnings. A job is the primary source of income and financial security for most people. According to Mbah (2012), pay is considered one of the most important factors influencing employee turnover in Nigeria. The reasons are high inflation in the economy which has adverse effect on the cost of living and extended family dependency. Culturally, much is expected from an average worker in Nigeria in terms of financial support to both his immediate and extended family as well as personal crave and societal recognition for monetary success. Pay is also an indicator of status within the organization and in society at large, so it contributes to some people's self-worth. For all these reasons, satisfaction with pay is significant for retaining employees. Decisions about pay and benefits are so important and complex.

Most studies stress the importance of compensation in attracting and keeping or reducing turnover and separation particularly for workers whose skills and responsibilities are unique or indispensable to the organization or for the worker whom the organization invest considerable resources in recruiting and training programs. According to Clarence and Alex (2004), companies in highly competitive local labor markets are expected to pay highly competitive rates against their competitors in each of their job classifications; either it is semi-skilled or unskilled position.

Therefore, based on what has been discussed above the researcher conjectures the following hypothesis:

*H1: Pay and benefit is negatively related to employee turnover intention in Addis Ababa Housing Construction Project Office.*

### **2.5.2 Work Environment**

Irshad (2009) cited by Beruk (2013) in his finding, the area of work environment was found as a key factor in employee retention. It is also found that employee leave the job due to work

environment and organizational justice (distributive justice and procedural justice). Working environment also plays pivotal role in employee retention. It is revealed from the study that if organizations want to retain their prowess employees, they must follow fairness formula. So, organizations should realize that working conditions in an organization have a role to play in deciding whether to stay or leave. Such gaps must be explored. Good working conditions may serve as a motivating factor to employees in order to stay in an organization.

In line with this, the overall working environment of an organization should be favorable to employees. According to some studies, however, working environment was not conducive to most of the employees which contributed to employee turnover Guyo, Gakure, Mwangi, (2011) cited by Beruk (2013)

Some employees jump from company to company because they prefer a working environment that is suitable for them. If working conditions are substandard or the workplace lacks important facilities, such as proper lighting, furniture, clean restrooms, and other health and safety provisions, employees will not be willing to put up with the inconvenience for long. The match between proportions of environment and employee values may figure out trustworthiness with the organization.

To motivate the workforce, it is important to ensure a hazard free and safe environment which also enhances efficiency and productivity (Del Val, and Fuentes, (2003). Cited by Mabindisa(2013)

When the adverse effects of the physical work environment are not attended by management, employees may lose interest in the work and might leave the organization. In support of this assertion, Heizer and Render (2006:469), cited Mabindisa(2013) state that if the work environment is not conducive to the employee's wellbeing and expectations it can contribute to decisions to leave.

And also Handelsman (2009) cited by Hisson (2009) if an employee finds an appropriate work environment which is suitable for them in a specific company, they may work in that same organization for several years.

*H2: Work Environment is negatively related to employee turnover intention.*

### **2.5.3. Career Development**

According to David and Stephen (2005) career development is another leading factor that contributes to employee turnover intention and separation. They were also defined as Career development is the pattern of work-related experiences that span the course of a person's life. Career development is a process through which the action plans are implemented. It is where individual career plans encounter organizational realities (Herbert, Donald, John, & Lee, 2000).

Career development requires formal action by an organization to ensure that employees with appropriate qualifications and experience are available when the organization requires their services. However Liyangle and Galhena (n.d) pointed out that employees consider their career opportunity within the organization as limited or absent (unmet career expectations), a withdrawal reaction may be evoked in order to cope with the frustration. Moreover Blue (1987) Ross and Miller (1984) cited by Liyangle and Galhena (n.d) found that in particular lack of satisfaction with career opportunity with associated with turnover intention. They also supported by Gaertner (2000) he suggested the employees are having high potential to leave if the job requirement are conflicting, unclear, or if opportunity for growth, skill development and promotion are lacking.

Organizational career growth shows potential for managing turnover, its biggest impact is on those who desire a career (Weng& McElroy, 2012) cited by Biswakume (2016). Organizational career growth is more regular and more closely associated with individual attitudes and behaviors Biswakume (2016) cite (Weng& Xi, 2010). Wengand McElroy (2012), cited by Biswakume (2016),

conceptualized career growth is as consisting of four factors: career goal progress, professional ability development, promotion speed, and remuneration growth. The dimensions of career growth were negatively related to turnover intentions. However, promotion speed and remuneration growth into a single facet collapsed to rewards.

Therefore, based on what has been discussed above, the researcher conjectures the following hypothesis:

*H3: career development is negatively related to employee turnover intention in Addis Ababa Housing Construction Project Office.*

#### **2.5.4. Distributive Justice**

According to Cropanzano and Greenberg (1997) organizational justice refers to the overall fairness of the organization rewards system and perceived fairness of the action of individual responsible for implementing the reward allocation system. The main components of organizational justice are distributive justice and procedural justice. Ali and Jan (nd) quoted Niehoff and Moorman (1993) distributive justice is the degree to which rewards are allocated in equitable manner whereas procedural justice is the degree to which those affected by allocation decision perceives then to have been made according to fair methods and guide lines.

According to Abdali (2011), the perception of getting fairness about the level of compensation, the equality in the sharing of pay and rewards, strongly create turnover. The conventional elimination of compensation packages doubtlessly misjudges the outcome of discernment of fairness on decisions to exit (Price & Mueller 1981, 1986) quoted in Hisson (2009). In addition to this, unequal or substandard wage structures fall under salary and benefits category as a reason to leave the organization. This is clearly shown by Handelsman (2009) cited by Hisson (2009:6)

*When two or more employees perform similar work and have similar responsibilities, differences in pay rate can drive lower paid employees to quit. In a like vein, if you pay less than other employers for similar work, employees is likely to jump for higher pay, if other factors are relatively equal.*

Since its inception, distributive justice has been rooted in Adams' (1963) equity theory. Adams' theory of equity stipulates that a fair balance must be created between an employee's inputs and an employee's outputs. In understanding Adams' (1963) theory, it is important to recognize that the theory is created on the belief that employees become de-motivated if they feel that inputs outweigh outputs. Inputs relate to items such as hard work, enthusiasm, skill level, commitment and dedication, whereas outputs are the rewards achieved such as pay, benefits, and recognition. Based on this theory, Adams postulated that when there is a perceived equal balance between inputs and outputs, a strong and a productive relationship is created which inevitably results in a motivated employee (Biby, 2008). Adams used social exchange theory framework to evaluate fairness. Social exchange theory asserts that exchanges between employer and employee can lead to obligations, and meeting these obligations can evoke positive reactions, while unfulfilling obligations may lead to negative outcomes (Blau, 1964) cited by Tamer (2012). This theory suggests that employees feel obligated to reciprocate when they personally benefit from their employers actions, such as fair pay and rewards system offered by their organization (Haar & Spell, 2009) cited by Tamer (2012). Additionally, as Adams pointed out, employees will judge their outcomes by their perception of what other employees performing the same job should receive (Biby, 2008).

Distributive justice refers to the perceived fairness of the outcomes employees receive and explains how employees react to the nature, and distribution of organizational rewards. At this point distributive justice ignores the procedures or means through which these ends are established, so the literature has provided the term procedural justice to explain the perceived fairness of the means

used to determine those outcomes (Folger&Konovsky, 1989), cited by Tamer (2012)enabling a more integrated approach. Furthermore Ali and Jan (n.d) explained distribution justice and procedural justice are strong predictors of employees' commitments and turnover intention. In line with the above literature:

H4: There is a negative and significant relationship between distributive justice and turnover intention.

## **2.6. Definition of Job Satisfaction**

Job satisfaction has been defined as pleasurable emotional state resulting from the appraisal of one's job or job experience, Dunnette and Lock (1976) cited by Mahdi,Nor, Sakat, SulaimanNaim(2012). In organizational behavior studies, job satisfaction impacts other organizational variables like output, turnover and absenteeism. Locke and Lathan cited in Adeyinka et al, (2007) job satisfaction refers to an emotional state of mind that reflects an affective reaction to the job and work situation. Rifayat (2012) defines job satisfaction as the degree to which the worker's work-related expectations match his/her experiences in the work environment. It is an appraisal of the perceived job characteristics and emotional experience at work cited by Abedali (2011);Bajpai and Srivastava (2010).According toNcede(2013) cited(Gobler, 2000) job satisfaction is defined as the difference between the volume of some respected consequences a person obtains and the amount of that outcome the person thinks he/she should obtain. According to Ncede2013 cited Spector (1997) "job satisfaction is the degree in which people like their jobs". Ncede2013 cited Rue and Byars (1992) refers to job satisfaction as an individual's mental state about the job; while Robbins (2003) defines job satisfaction as an individual's broader approach towards his employment.

Robbins (2003) further states that, job satisfaction is when an individual is pleased with his job because it is something he/she needs to do and he/she is remunerated accordingly in that work. This simply means that a person with high job satisfaction levels will embrace positive spirits towards the job and a person who is dissatisfied will hold and embrace negative spirits towards his work.

In terms of equity, job satisfaction is defined as the difference between the rewards employees is setting to obtain and what they expect to receive (Robbinsonet *al.*, 2003:16). According to Ncede(2013)cited by Robbins (2003) Kreitner and Kinicki (2001) job satisfaction is an emotional reaction towards various surfaces of one's job.

Job satisfaction is perceived as sentimental or emotional response to the job done by an employee's comparison of the true results achieved with the results the employee expects from the job environment. Job satisfaction is the extent to which people enjoy their jobs (Hirschfeld, 2000).cited Abdali (2011)

Job satisfaction was related to resignations (Mobley 1977; Porter and Steers 1973; Price and Mueller 1986; Steers and Mowday 1981) cited by Abedali (2011). Thus employees having job dissatisfaction leave their current employer more easily.

### **2.6.1 Theory of Job Satisfaction**

The concept of job satisfaction underwent several changes and in course of time several theories were advanced. There are vital differences among experts about the concept of job satisfaction. In this section the researcher will examine some widely used theories in contemporary job satisfaction research.

### **2.6.1.1 Maslow's Needs hierarchy**

Maslow's (1954) theory is one of the recognized theories which enlighten that employees would be motivated and satisfied with their jobs only when certain desires are met. He further explains five major types of needs which are ordered hierarchically as indicated in figure 1 below. According to Maslow's hierarchy of needs, lower-level needs must be fulfilled first before an individual consider the next level of needs (Robbins, 1989). There are five hierarchical levels which are as follows,

1. Physiological needs such as food, shelter, clothing and sexual satisfaction needs. According to Maslow's theory, individuals are worried first and foremost with satisfying their basic needs such as food, shelter, water and clothing. An unemployed person who does not have a shelter will be content with any job as long as it offers for these basic needs (Maslow, 1954). This is a primary need and of importance to individuals as it restores the dignity and pride of human beings.

2. Safety needs. This refers to the need to feel safe within the environment; it also refers to physical safety. After physiological needs have been met, safety needs would follow as employees focus more on meeting their safety needs. This is a secondary need prior to the basic needs and is of importance to human beings as they should leave in a safe and secured environment. People should feel comfortable and relaxed in the areas where they stay and work. This means that employees will remain satisfied with their jobs only if they believe the working environment is safe (Maslow, 1954). This is also applied construction project site

3. Social needs; the need for love, friendship and belonging. Once the basic needs and safety needs have been met, employees will stay satisfied with their jobs only when their social needs have been addressed (Maslow, 1954). In a working environment it involves working with others and feeling needed in the organization when people get along with each other, it will boost their morale,

lead to higher productivity and they will feel comfortable with each other and the organization. Organizations strive to fulfill their employees' social needs by procuring social activities for example cafeterias, organizing sport programs and family events (Maslow, 1954). If the employees' of the construction project a sense belonging at their work place, then this will result in fulfilling their social needs.

4. Esteem needs. These needs comprise the need for self-respect, status, recognition and achievement (Maslow, 1954). When employee's social needs have been fulfilled, they start to pay attention on meeting their esteem needs. According to Maslow (1954), organizations can satisfy these needs through awards, promotions and salary increases. Managers need to recognize the potential and effort made by employees at work in order to create conducive work environment where employees would feel as if it is the best company to work for.

5. Self-actualization needs. The point of reaching one's full potential. According to Robbins *et al.*, (2003) Maslow (1954) describes self-actualization needs as the desire for growth, achieving one's potential and self-fulfillment. An employee who strives for self-actualization desires to meet their full potential in everything they do. Therefore, employee's desire the same task for a substantial period might become bored which might result in job searching. Managers need to study the environment and develop strategies to retain and develop self-contentment of employees in their jobs. Employers need to provide the best training courses, performance appraisal systems, job rotation methods and other ways to retain and develop employees at work.

Maslow's theory is broadly recognized even though it has been criticized. Robbins *et al.* (2003:132) argues that certain reviews assume that needs are not necessarily structured along these magnitudes "as people simultaneously move through several levels in the hierarchy of needs".

He further suggests that, because satisfied needs boosts a person to reach movement to the next level, the employee will always have an energetic need, making long duration job.

Relevance of the above theory

The needs or content theory job can be a source of satisfaction if it can fulfill a number of individual's important needs. If they are not fulfilling, the individual's are more likely to become dissatisfied with their job and thus demotivated. Then the workers frustrated and then resigned from the organization. This is a serious issue for AAHDCO because only during 2016 year from the total professionals and semi professional employees' 28.24% were left the project, annual report AAHDPO (2016). One of the fundamental reasons for employee to be engaged in their work is to satisfy their basic needs. According to Abedul Wahhab (2015) a person fulfilling his dominant needs and is consistent with his expectation and values, the job will be satisfying. Some of these basic needs are salary and benefit, comfortable working environment, career development opportunity, and fairness. The satisfaction of needs and motivation to work are very essential in the life of workers. It tells us their job satisfaction result from the satisfaction of workers needs. Simultaneously functions as determinant of job satisfaction rather than only one of them.

**2.6.1.2 Herzberg's two factor theory**

Herzberg's two-factor theory is one of the earliest theories of job satisfaction, the factors being "intrinsic factors" and "motivators" as indicated in Table 1 below

**Table 2.1: Herzberg's two factor theory**

Satisfiers/ Motivators/ Intrinsic	Dissatisfies/ Hygiene/ Extrinsic
Need to build high level of job satisfaction	Need to maintain a level of dissatisfaction

(related to job content)	(related to job context)
<ul style="list-style-type: none"> <li>• Feeling of achievement</li> <li>• Meaningful work</li> <li>• Opportunities for advancement</li> <li>• Increased responsibility</li> <li>• Recognition</li> </ul>	<ul style="list-style-type: none"> <li>• Pay</li> <li>• Status</li> <li>• Job security</li> <li>• Working conditions</li> <li>• Fringe benefits</li> </ul>
Opportunities for growth	<ul style="list-style-type: none"> <li>• Policies and procedures</li> <li>• Interpersonal relations</li> </ul>

According to Herzberg (1959), “job satisfaction rest on one set of conditions, whereas job dissatisfaction depends on different set of conditions”. Job satisfaction and dissatisfaction are determined by different factors as indicated in the table above.

Herzberg *et al.*, (1959) found that intrinsic factors such as achievement, responsibilities and recognition were intensely related with satisfaction than extrinsic factors like policies, benefits and working conditions. Job satisfaction is related to motivators or intrinsic factors, while job dissatisfaction is related to hygiene or extrinsic factors. Extrinsic or hygiene factors relate to pay, status, job security, working conditions, fringe benefits, company policies and interpersonal relations. These factors are rewards or sources of need satisfaction that stem from organizational context and are thus somewhat divorced from the direct influence of the individual (Herzberg *et al.*, 1959).

According to Herzberg *et al.*, (1959), intrinsic factors have to do with achievement, meaningful work, opportunities for advancement, increased responsibility, recognition and opportunities for growth. These factors are viewed as being derived from the individual’s relations and the job it. Herzberg *et al.*, (1959) found seven working conditions which lead to job satisfaction for many people. These conditions are: interesting and challenging work, a feeling of achievement

and good relationships with immediate supervisor and other professionals, opportunities for friendship, advancement, security of employment and recognition. These conditions are regarded as intrinsic factors and meeting these expectations is vital to the achievement of high levels of job satisfaction (Herzberg *et al.*, 1959). In summary, Intrinsic and extrinsic factors of job satisfaction are crucial and are regarded as the main source of reaching high job satisfaction levels.

Herzberg's theory of motivation is popular with managers as an approach for motivation. The managerial inference of Herzberg's theory is apparent: to prevent low performance, high absenteeism and high labor turnover, managers should make radical changes by adding hygiene factors and motivators to the job. Herzberg suggests job enrichment as an approach to build satisfiers into the job content (Herzberg *et al.*, 1959). Herzberg states that if you want people to do a good job, give them a good job to do. He emphasizes that the factors that give rise to job dissatisfaction are related to job context and are labeled as hygiene factors and factors that give rise to job satisfaction are related to job content and labeled as motivators (Herzberg *et al.*, 1959). It is important to provide clear job content, employ capable and willing people, and provide clear roles and responsibilities in order to achieve good results and achieving job satisfaction of employees.

Generally Herzberg like Maslow theory focus on the important of individual's in organization advancement. This means advancement indirectly will change individual needs. According to Masri (2009) cited Samad (2006), prince (2001) studies have consistently reported that job satisfaction is one of the factor or reason for employee intention to leave the organization.

### ***2.6.1.3 McClelland's needs theory;***

This theory is emphasis on three needs, namely; achievement, power and affiliation (Robbins *et al.*, 2003). Employees who have the strong desire for achievement would be fulfilled with jobs

that are challenging and over which they can exercise some control (Aadmodt, 2004) quoted by Ncede (2013). Subsequently employees with low achievement needs are satisfied with minor challenges. Persons with a high need for affiliation would be pleased with jobs that comprises of huge responsibilities and building work interpersonal relationships (McClelland, 1969) quoted Ncede(2013). In conclusion, employees who want to take control have a desire to influence and control others (McClelland, 1969). This theory emphasizes that if you provide your employees with interesting and challenging jobs, it gives them power and control over their work which contributes to job satisfaction.

Locke (1976), Cooper and Locke (2000:168) quoted by Ncede (2013) argues that “individual’s value would determine what satisfied them on the job”. Employees in organizations hold different value system. Therefore, this will lead to different satisfaction levels. Human beings are unique, what is regarded as value from one person might not entice another person. As individuals we think, value and do things differently; therefore our value system will differ.

Anderson, Ones, Sinangiland Viswesvaran(2001: 32) forecasts inconsistencies between what is preferred and expected and believe that human beings become dissatisfied only if the job facet is essential to the individual.

Cooper and Locke (2000) quoted by Ncede (2013 state the potential problem with this theory is that “what people desire and what they consider important are likely to be highly correlated”. In theory these notions are discrete; however, in practice many people will find it a challenge to differentiate the two. Despite this limitation, investigation on this theory has been extremely supportive.

### **2.6.1.3. Equity theory**

Equity theory, as reviewed by Walster, Berscheid & Walster (1973) quoted by Dugguh, Dennis (2014) shows how a person perceives fairness in regard to social relationships. The theory presupposes that during a social exchange, a person identifies the amount of input gained from a relationship compared to the output, as well as how much effort another person's puts forth. Based on Adam (1965) theory, Huseman, Hatfield & Miles (1987) cited by Dugguh, Dennis (2014) further suggest that if an employee thinks there is an inequity between two social groups or individuals, the employee is likely to be distressed or dissatisfied because the input and the output are not equal. Inputs encompass the quality and quantity of the employee's contributions to his or her work. Also John Stacey Adams the first developer of equity theory asserted that employees seek to maintain equity between the inputs and the outcomes received from the inputs and of others (Boundless, 2013). According to Dugguh, Dennis (2014) Examples of inputs include: time, effort, hard work, commitment, ability, adaptability, flexibility, tolerance, determination, enthusiasm, personal sacrifice, trust in superiors, support from co-workers and colleagues and skills.

Output (outcomes) on the other hand is the positive and negative consequences that an individual (employee) perceives a participant has incurred as a consequence of his relationship with another. Examples of outputs include job security, esteem, salary, employee benefits, expenses, recognition, reputation, responsibilities, and sense of achievement, praise, thanks, and stimuli and so on.

Dugguh and Dennis (2014) further explain major concern in equity theory is about payment and therefore the cause of concern of equity or inequity in most cases in organizations. They further suggest that in any position in the organization, an employee wants to feel that their contributions and work performance are being rewarded with their pay. If an employee feels underpaid, he would

be dissatisfied and as the result employee dislike their work and finally they resigned. Equity is multidimensional in nature. For example, it does not depend on our input-to-output alone. From the research of Dugguh, Dennis (2014) equity is depends on people's comparison between own input-output ratio and the ratio of others. Since equity is all about perception, employees form perceptions on what constitute a fair (balance or trade) of inputs and outputs by comparing their situation with other 'referents' in the market place as they see it.

From this comparison, when they perceive that their inputs are fairly rewarded by outputs, then they are satisfied, happier and more motivated in their work. They are de-motivated to their job and the organization when they perceive that their ratio of inputs-outputs is less beneficial than the ratio enjoyed by referent others (Ball, 2014). According to Kaila (2007) rewards perceived as equitable should have positive results on job satisfaction and performance. Those rewards perceived as inequitable may create job dissatisfaction and cause performance problems. According to Adams (1963), when a person becomes aware of inequity, it causes a reaction in them, potentially some form of tension that is 'proportional to the magnitude of inequity present'. It is because of this tension that an individual might react in a way that reduces the tension in him.

According to Dugguh, Dennis (2014) Equity theory further identifies four mechanisms for job satisfaction (dissatisfaction) as follows:

- a.** Employees seek to maximize their outcomes (rewards minus outcomes).
- b.** Groups can maximize collective rewards by developing accepted systems for equitably apportioning rewards and costs among members. That is, systems of equity will evolve within groups, and members will attempt to induce other members to accept and adhere to these systems.

- c. When employees find themselves participating in inequitable relationships, they become dissatisfied or distressed. The theory explains that in this situation, both the person who gets ‘too much’ and the person who gets ‘too little’ feel dissatisfied. The employee who gets too much may feel ashamed or guilt and the employee who gets too little may feel angry or humiliated.
- d. Employees who perceive that they are in an inequitable relationship attempts to eliminate their dissatisfaction by restoring equity. This could be done by either by distorting inputs, outputs, or leaving the organization.

Thus the theory has wide-reaching implications for employee morale, efficiency, performance, productivity and turnover. It also shows why employees see themselves the way they are treated in terms of their surrounding environment, teams, systems, etc collectively and not in isolation and so they should be managed and treated accordingly. In addition, the totals of employee inputs-outputs must be measured including their personal values. Schultz & Schultz (2010) further extended equity theory to include the behavioral responses patterns to situations of equity or inequity. These response patterns are: benevolent (satisfied when they are under paid compared with co-workers), equity sensitive (believe everyone should be fairly rewarded) and entitled (employees believe that everything they receive is their just due). The current study in the effects of job satisfaction on employee turnover intention in the Addis Ababa Housing development project Office used some of these motivation theories so as to assess how the related factors named in the theories influence employees’ job satisfaction and intention to leave.

## **2.7. Empirical Review**

Many Authors did research on the effects of job satisfaction related factors on employees' turnover intention. They used different mix of factors' of job satisfaction to examine effects on employees' turnover intention.

Kumar (2011) conducted research on turnover issues in the textile industry in Ethiopia a case of Arbaminch Textile Company. The researcher's finding shows a clear picture regarding low salary of employee. Dissatisfaction of employees and the lack of major factors that dissatisfy the employees which ultimate lead to turnover. Authors adopted as a descriptive study the data is collected with the help of structured questioner. Cronbach's alpha Test was used to find out the reliability of the instrument used with a score of 0.81. The data analysis is interpreted with the help of statically tools like chi-square and likert scale summated rating scale. Their conclusion was the majority of the respondents (83%) mentioned that they should be motivated by more salary.

Samuel (2012) studied on job satisfaction and employees' turnover intentions in total Nigeria Plc. in Lagos state. The Researchers considered satisfaction with pay, nature of work and supervision as the three facets of job satisfaction that affect employee turnover intention. Authors adopted a survey method for administration of questionnaires, simple descriptive percentage method, and chi-square method. Their conclusion was job satisfaction reduces employees' turnover intention and that Total Nigeria Plc. adopts standard pay structure, suitable nature of work and efficient supervision not only as strategies to reduce employees' turnover but also as the company retention strategy.

As Adeboye (2012) conducted research on employees' perception of career progression and turnover intention among bank workers in IFE central call Government area, Osun State, Nigeria. They considered perception of career progression and Years of service (long service years-ten years

& above and short service years-below ten years) as independent variables. A descriptive survey design was adopted for the study. A self-designed questionnaire was used to collect relevant data for the study and the data collected were analyzed using Pearson Product Moment Correlation (PPMC) and T-test analysis. The researchers concluded that there is an inverse relationship between perception of career progression and turnover intention. In their findings, they also indicated that the year an individual spends in a company has no effect on his/her turnover intention and advised companies, establishments or managements to give increased attention to their employees' career progression

Santript (2013) examined influence of various factors on employee turnover in urban and semi urban banks. They used a self-developed questionnaire, measured on a Likert Scale to collect data from respondents and quantitative research design. The reliability of the data collected is done by split half method. The collected data were being analyzed using a program called Statistical Package for Social Science (SPSS ver.16.0 For Windows). The data analysis is carried out by calculating mean, standard deviation and linear correlation. The difference between means of variable was estimated by using t-test. Their finding showed that Work Environment, Job Stress, Compensation (Salary), Employee relationship with management and Career Growth have significantly influenced employee turnover in banking sector.

Afari and Elanain (2014) conducted research on the impact of distributive justice on the turnover intention of sales representatives of an international electronic chain store operating in Turkey. Data from 156 respondents was used to measure the impact of the perceived distributive justice factor on turnover intention. Exploratory factor analysis has been used to uncover the underlying dimensions of distributive justice. The results of regression analyses indicated that turnover intention of sales representatives have been negatively affected by the perceived level of

distributive justice. Some of the control variables were found to have a significant effect on turnover intention

Masri (2009) Studied to examine the relationship between four factors of job satisfaction which is pay, promotion, the work itself and supervision, and turnover intention among skilled personnel at TRIplc Berhad conducted. They used In the study, the responses and information collected from the survey was tested using statistical techniques such as reliability test, frequency analysis, Cronbach's Alpha Coefficients, Pearson Correlation, One-way ANOVA and Multiple Regression analysis. The results of their study can be divided into two main parts. The first part is examining the relationship with job satisfaction and turnover intention. There are four job satisfaction factors taken into account to correlate with job satisfaction and turnover, namely pay, promotion, the work itself and supervision. The results indicated that these four job satisfaction factors are significantly and negatively related to turnover intention of the skilled personnel at TRIplc Berhad.

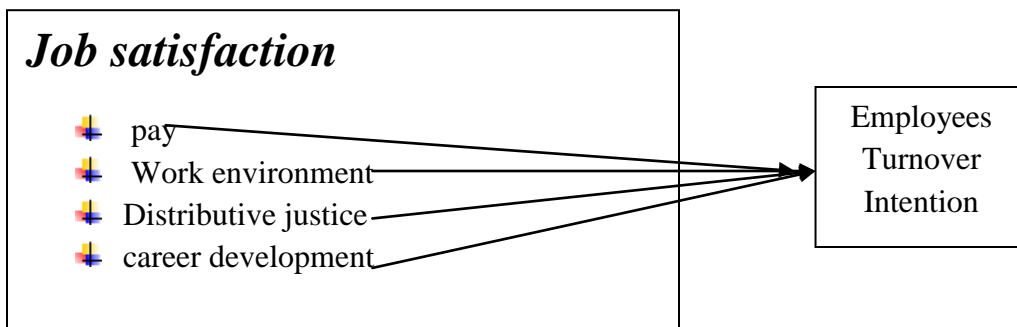
## **2.8. Research Framework**

Based on the reviewed literatures, Pay, Work environment, career development and distributive justice were considered as factors affecting job satisfaction and employees' turnover intention which form the frame work for this project. In this project, Job Satisfaction is a derived, not an explicit variable, and manifested through the above listed factors. The selected framework was adapted from the study conducted by Samuel (2012) and I included promotion opportunity as an additional factor. These factors of job satisfaction were assumed to relate to the project turnover problem. This apparently implied the framework's capacity to address the major areas which have impact on intentions of the project employees' turnover.

1. The framework's concern area matched with the scope of this project. All factors identified in the framework contained within the internal facets of an organization which exactly tallies with the research's predefined scope.

2. This project intended to examine the relationship between job satisfaction, the independent variable, and intentions of employees' turnover, the dependent variable.

The four factors considered to affect job satisfaction are pay, work environment, career development and distributive justice.



**Figure 2:2 A Conceptual Framework**  
Source: Developed by the researcher, 2017

### CHAPTER THREE

### METHODOLOGY

This chapter presents the design and methodology, which is used to conduct this research. The research was designed to obtain primary data from Management team and employees in AAHCPO and secondary data from relevant existing documentation. The analysis of the obtained information is used to answer the research questions. Information regarding the research design, the research approach, the population, sample and the measuring instruments follows beneath.

### **3.1 Study Area (Location) and target population**

According to the AAHCPO human resource data, the organization does have 2284 professional and semiprofessional employees as of June, 2016 report; of which 685 staff belongs to construction and design department (line staff), the remaining 1599 staff belongs to supporting staff, 1 staff belong to the general manager and 18 staff belong to branch managers. Therefore, the target populations of this research were 2284 staff.

Based on this final cumulative number of employees who are geographically dispersed in five working areas (cluster) namely Head office, North Addis Ababa cluster; YekaAbado (two branch project office), East Addis Ababa cluster; Bole Arabsa site (six branch project office), South Addis Ababa cluster; KuyuFichae and Kilinto site (eight branch project office) and West Addis Ababa cluster (Gullel and Arada branch project) the samples are selected using both purposive.(The HR manager and branch manager were included purposively because they provide relevant information by virtue of their position.)

and stratified sampling technique. According to Loh cited by yemnu (2016) Stratified sampling was used due to the researchers need to incorporate partisans based on location work. First, the total professional and semi professional employees working in AAHPO were stratified in to five working areas( Cluster) namely North cluster, Head Office, South cluster, East cluster, and West cluster. The sample size was distributed to working areas (Cluster) proportional to the number of employees in each cluster. Then, individual employees in each of the cluster were selected by systematic random sampling technique

## **3.2. Research Design and Approach**

### **3.2.1 Research approach**

The study was applied quantitative and qualitative methods (Mixed methods research. In the sequential explanatory strategy, the first phase of quantitative data collection and analysis is followed by the second phase of qualitative data collection and analysis, which builds on the results of the first quantitative phase).To investigate the effects of job satisfaction on employees' turnover intention in Addis Ababa housing Construction Project Office. Quantitative and qualitative methods (Mixed methods research) refers to the type of data being collected (quantitative data involve numeric scores, metrics, and so on, while qualitative data includes interviews, observations, and so forth) and analyzed (i.e., using quantitative techniques such as regression or qualitative techniques) Bhattacharjee (2012).Moreover, mixed methods approach provides the researchers will additional opportunities to answer more a complete range of research questions, because the researcher is not confined to a single method or approach. Mixed-methods research also enables the researchers to capitalize on the strengths, and to minimize the weaknesses of quantitative and qualitative methods. (Creswell, dn).Hence, by applying the mixed method the researcher was to fulfill the research objectives and make possible to draw lessons, conclusions and recommendations up on the results of the findings.

### **3.2.2. Research design**

The type of research conducted in this thesis is both descriptive (Mean and frequency) and inferential (correlation and regression) analysis. It is also both quantitative and qualitative by its nature).

### 3.3. Sample procedure

In this research methodology, the researcher used both purposive and stratified sampling method as the researcher interest to include projects from different corners of the city. Purposive sampling was used to select five cluster of the project depends on size of branch and number of employees'. And also project managers and human resource support process were purposively sampled due to the information they have by the virtue of the position they hold. The study used stratified random sampling technique for semi and professional employees'

Accordingly strata or groups would be selected from each stratum, thereby determining the sample size proportionally and then random sampling method would be used for questionnaire distribution purpose among the selected groups according the sample size. To do this the researcher has found data about the current number of each group from AAHCPO human resource, and planning and budget departments for purpose group identification and sample size determination.

The researcher chooses a stratified sampling method and the total sample size is a proportionate sum of the five field's strata group indicated below.

Table 3.1 total population

Cluster	Head office	North	South	East	West
population	310	546	790	341	297

Source AAHCPO annual report (2016)

### 3.4 Sample Size Determination

To determine the sample size of the study, the total populations of the project have been taken with the confidence level of 95% and then sample size is determined using Isreal (1992) formula as described below. It gives the researcher an idea of how large the sample size needs to be

to ensure a reasonable accuracy of results. That when we have to use to figure out what sample size, we need to take, which is written as:

Sample size (formula 1)  $n = N / (1 + Ne^2)$ , where  $n$ = number of samples,  $N$ = total population and  $e$ = margin of error tolerance. The study assumes that the margin of error 5% and confidence level or error free of 95%

Formula 2  $nh = Nh * n / N$ , where  $nh$ = sample size for stratum  $h$ ,  $Nh$ = is population size for stratum,  $N$ = total population size,  $n$  total sample size. Source: For formula two (<http://stattrek.com/sample-size/stratified-sample.aspx/> Jan 9, 2015.

So, for a population size Addis Ababa housing Construction Project Office to be 2284 (annual report, 2016),  $n = \left( \frac{N}{1 + Ne^2} \right)$

Hence sample size of 2284 AAHCPO employees'

$$n = \left( \frac{2284}{1 + 2284 * (0.05) * (0.05)} \right) = 340$$

This means that the questionnaire should be distributed to 340 employees in order to achieve 95% confidence level. According to the above formula, the sample size for each stratum is 546 employees of North cluster

$$nh = \left( \frac{Nh * n}{N} \right)$$

Sample size of North cluster (stratum 1) =  $546 * 340 / 2284 = 81$

This means that the questionnaire should be distributed to 81 employees North cluster in order to achieve 95% confidence level

South cluster  $nh = \left( \frac{790 * 340}{2284} \right) = 118$

East cluster  $nh = \left( \frac{341 * 340}{2284} \right) = 51$

$$\text{West cluster } nh = \left( \frac{297 \cdot 340}{2284} \right) = 44$$

$$\text{Head office } nh = \left( \frac{310 \cdot 340}{2284} \right) = 46$$

Therefore, according to the above calculation a total of 340 questionnaires will be distributed to collect relevant data with regard to the research purpose. Individual employees from each project were selected using simple random sampling technique

Sample size proportion

Table 3.2 sample employees

Cluster	Head office (stratum)	North (stratum 2)	South (stratum 3)	East (stratum 4)	West (stratum 5)	Total
population	46	81	118	51	44	340

Source: Own calculation

### 3.5. Data Gathering Methods and Instruments

The researcher used both primary and secondary data sources. The primary data was obtained from the AAHCPO's and its 18 branch offices (four cluster) mainly through questionnaires. Due to time constraint and to get high response rate from the respondent the researcher preferred structured and close-ended type questionnaire for employees and informative interview for HR managers and project manager 18 branch offices

Secondary sources of the study were different published books, internet websites, journals, previous research papers and archive documents. Published books would be reviewed to review related theoretical literatures to interpreted research findings. Journals and research papers would be used for empirical study and used as a base for conducting this study to attempt adding some new finding on the existing knowledge. Internet web sites were the source of unpublished books, journals, and research papers.

The five-point scale (1=strongly agree, 2= agree, 3.Neutral, 4. Disagree, 5. Strongly Disagree) were used to measure the level of job satisfaction and turnover intention. In order to answer the questionnaire, respondents have to select their choice of answer based on the five-point scale according to their opinion on each question. Each answer will be given a score. It is easier for the respondents to understand the format and produce more accurate answers.

### **3.6. Data Analysis and Interpretation**

After ascertaining the reliability of the instruments, the researcher was proceeded to administer the questionnaire. The researcher was distributed and administers the collection of questionnaires. Interview was be conducted and recorded by the researcher. Data obtained through questionnaire were be computed with the use of computer and software programs (SPSS), edited and coded. Then data would be grouped into tables, to analysis, summarized and recommend.

Information obtained from questionnaire, interview and documents would be analyzed, coded and updated according to coding framework. Data conducted through interviews was recorded and analyzed and data obtained through questionnaires was code and analyzed using statistical package for the social science software (SPSS). The researcher was used descriptive statics such as frequency counts, percentage, mean values, and charts for structure items and inferential statics such as multiple regression analysis is used to examine the prediction power of each independent variable for the overall dependent variable (turnover intention), correlation test would be performed to assess the strength of association between dependent variable and independent variable then interpret according to the findings and finally triangulated data's would be obtained both in questionnaire and interview analysis.

### **3.7. Ethical Consideration**

The informed consent of all participants was being obtained before starting the study. Respondents was be given a clear explanation about the nature of the study and advised that they are free to withdraw from the study any time. In addition, participants were being informed about data collecting procedure. The anonymity of the subjects was be protected and guaranteed by preventing to write their names and providing clear instruction. Furthermore, the information obtained thorough the aforementioned procedure is only used for the research purpose and the confidentiality is maintained.

## **CHAPTER FOUR**

### **RESULTS AND ANALYSIS**

The objective of this study is to examine the effect of job satisfaction on employee turnover intentions. To achieve this literature was reviewed and methodology was designed in chapters two and three respectively. A total of 340Questionnaires were distributed to collect primary data from respondents, out of which 307 were returned and analyzed.

This chapter presents the results and findings of the research. The chapter mainly includes data results from the statistical tests conducted on the gathered primary data. The research mainly emphasis was to examine the effects of satisfaction with pay and benefit, work environment, career development and distributive justice on employees' turnover intention. Primary data was collected from the employees of the AAHDPO using questionnaire and secondary data was collected through

reviewing the project HR policy, procedure, and annual reports. The collected data were described and analyzed using statistical tool- multiple linear regressions with the help of SPSS.

#### 4.1. DATA SET AND RESPONSE RATE

Based on the minimal sample requirement, 307 respondents were needed to conduct a valid survey.

Table 4.1 Respondent Rate

Total Respondents	340	100%
No Response	25	7.3%
Invalid response	8	2.4%
Response	315	92.7%
Effective response	307	90.3%

*Author's computation*

The researcher decided to ask 340 "semi and professional" employees. No response was received from 25 employees, thus the amount of responsive employees was 315. From the 315 received surveys eight were rejected based on the fact that less than 15% of the relevant items were completed; thus missing critical information. Finally, a 90.3% effective response rate was achieved.

#### 4.2. Basic Characteristics of the Sample

As part of the descriptive statistics, such as frequency and percentage were used to describe the respondent's characteristics. These variables relate to the nominal data or demographical characteristics obtained from the research sample. There are 307 respondents in the sample. Frequency distributions are obtained for all demographic characteristics.

##### *Respondents' Demographic Profile*

##### **Table 4.2**Frequency Distribution – Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	225	73.3	73.3	73.3
Valid Female	82	26.7	26.7	100.0
Total	307	100.0	100.0	

*Author's computation*

There is a stark contrast in gender composition in the sample as most (73.3%) are male employees while the rest 26.7 % are females. The project will focus female due to government policy.

**Table 4.3**Frequency Distribution - Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 25	4	1.3	1.3	1.3
26-30	123	40.1	40.1	41.4
Valid 31-35	79	25.7	25.7	67.1
36-40	60	19.5	19.5	86.6
above 40	41	13.4	13.4	100.0
Total	307	100.0	100.0	

*Source; Author's computation*

The result of age distributions in Table 4.3 above suggest that the greatest numbers of the respondents are in their 26 – 30 (40.1%) age group followed by respondents aged 31–35 (25.7%), 36 – 40 (19.5%) and 13.4% of them aged above 40. The lowest reading 1.3% represents age group below 25. Close to 65.8 % of the employees included in the sample in this study fall between the age of 26 and 35, representing a relatively young category of employees. Employees below of the age of

25 make up an insignificant proportion of the sample (1.3%).so that fact majority of employees (65.8%) in AAHDPO belong to the relatively active and energetic age group is encouraging; however, this age group is also highly mobile and may be prone to leave working for AAHDPO if the working environment and other factor does not satisfy.

**Table 4.4 Frequency Distribution – Marital Status**

	Frequency	Percent	Valid Percent	Cumulative Percent
single	131	42.7	42.7	42.7
Valid married	176	57.3	57.3	100.0
Total	307	100.0	100.0	

*Source: Author’s computation*

Table 4.4 shows that majority of the respondents are married which represent 57.3% that is about 175 people out of 307 respondents. Meanwhile, 132 or 42.7% respondents are still single

**Table 4.5 Frequency Distribution - Education**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid diploma	16	5.2	5.2	5.2

Degree	280	91.2	91.2	96.4
master and above	11	3.6	3.6	100.0
Total	307	100.0	100.0	

*Source: Author's computation*

Looking at the education status of the sample, most of AAHDPO employees are degree holder which is nearly 91.2% .while a small proportion of the employees have masters degree or above. Only 5.2% from the total respondents completed diploma.

**Table 4.6**Frequency Distribution - Tenure

	Frequency	Percent	Valid Percent	Cumulative Percent
1-2 years	99	32.2	32.2	32.2
3-5 years	96	31.3	31.3	63.5
Valid 6-10 years	71	23.1	23.1	86.6
above 10 years	41	13.4	13.4	100.0
Total	307	100.0	100.0	

*Author's computation*

Table 4.6 represents frequency distribution of 307 respondents in this study. It shows that a total of 99 or 32.2% respondents already working for less than 2 years, 96 or 31.3% of the respondents have been working for 3 - 5 years; meanwhile, 71 or 23.1% of the respondents are working for 6-10 years only 41 or 13.4% of the respondents working more than ten years.

An interesting observation from the data is regarding the service year of employees. The majority of them (63.5%) stayed in the organization for a relatively short period of time, serving served between 1 to 5 years and a substantial proportion, Long term workers who served the organization for more than 6 years are relatively small in number, in total 46.5% of the sample.

In general, it can be summed up that the employees included in the sample in this study are predominantly males, relatively young, most are educated degree and above. This sample is somewhat reflective of the overall characteristics of the employees in the organization. For example, 26.7% of the employees in the organization are female, a proportion similar to the gender composition in the same used in this study. Thus, the sample is representative at least in these observable basic characteristics.

### **4.3. Reliability statistics**

Reliability can be equated with the stability, consistency, or dependability of a measuring tool. To test reliability the Chronbach coefficient alpha was calculated for each field of the questionnaire. The most identical values of alpha indicate that the mean and variances in the original scales do not differ much, and thus standardization does not make a great difference in alpha Saleh Samir Abu Shaban (2008, p 42). Cited by Yemenu (2016)

Table 4.7 below shows the values of Chronbach's Alpha for each filed of the questionnaire and the entire questionnaire. For the fields, values of Chronbach's Alpha were in the range from 0.612 and 0.738. This range is considered high; the result ensures the reliability of each field of the questionnaire. Chronbach's Alpha equals 0.738 and 0.612 for the entire questionnaire which indicates a good reliability of the entire questionnaire. Thereby, it can be said that it is proved that the questionnaire is valid, reliable, and ready for distribution for the population sample.

Table (4.7.)Chronbach's Alpha for each factor of the questionnaire and the entire questionnaire

variables	N items	Cronbach's alpha
Job satisfaction	18	.720
Pay and benefit	6	.825
Career development	3	.721
Work environment	5	.672
Distributive justice	5	.612
Turnover intention	8	.738

Source: Author's computation

Cronbach's alpha reliability result of this study is 0.720 and .738. The acceptable values are 0.5 by Nunnally (1970) and 0.6 by Moss et al. (1998) quoted (Saed, Waseen, Sikander, & Rizwan, 2014).

#### 4.4. Result of Descriptive Analysis on the factors

In this section, the collected data was entered and reported using SPSS. The mean value of each satisfaction factor with respect to respondents' category is analyzed and presented.

Table 4.8: Descriptive Statistics for the Research Variables

**Table 4.8 Descriptive Statistics**

	Career development	satisfaction	Pay and benefit	Work environment	Distributive justice	Turnover intention
N	307	307	307	307	307	307
Mean	3.9653	3.7158	3.8795	4.0611	3.4656	2.3674
Std. Deviation	.48830	.37060	.64785	.61581	.80248	.70484

*Source; SPSSoutput*

Table-4.8 above reflected the average (mean) responses of total sample size of 307. Career development had a mean value of 3.97 (SD=.49.). It is evident that the average "semi professional and professional" employee reports to be dissatisfied but possibility of deviation exist between 3.48 and 4.46, e.g. from neutral to strongly agree. Pay & Benefit data (mean value of 3.88) SD .65. indicates that most semi and professional employees of the projects are dissatisfied about pay and benefit of the project but possibility of deviation exist between 3.23 and 4.53 which means between neutral and strongly disagree. Mean value of 4.07 for Work environment shows that most semi and professional employees of the project have disagreed in but possibility of deviation exist between 3.44 and 4.68 which means between neutral and strongly agree. Mean value of 3.47 Distributive justice shows that most semi and professional employees of the project have slightly disagreed in but possibility of deviation exist between 2.67 and 4.27 which means between neutral and agree. Turnover Intention data (mean value of 2.37) indicates that most shows that most semi and professional employees of the project have agreed in but possibility of deviation exist between 3.44 and 4.68 which means between neutral and strongly agree employees of the project are neutral about having turnover intention but possibility of deviation exist between 1.67 and 3.07 which means between neutral and agree. Thus, the average "semi and professional " employees report agreement in having intentions to leave the project.

In general the majority of semi professional and professional employees of AAHDPO expressed their dissatisfaction with pay and benefit, career development, work environment and distributive justice. There is also high intention of turnover observed on majority of employees as indicated by mean value above the average.

#### **4.4. Pearson Correlation Test**

Correlation matrix in table 4.9 shows the relationship among Pay and benefit, career development, the Work environment, distributive justice and Turnover Intention.

**Table4.9. Correlation is significant at the 0.05 level (2-tailed).**

Variables	Pearson ( <i>r</i> )	Level of Significance ( <i>p</i> )
<i>Pay&amp; Benefit</i>	<i>-0.181**</i>	<i>0.001</i>
<i>Career development</i>	<i>-0.107**</i>	<i>0.061</i>
<i>Work environment</i>	<i>-0.238**</i>	<i>0.000</i>
<i>Distributive justice</i>	<i>-0.253**</i>	<i>.022</i>

*\*\*.* Correlation is significant at the 0.01 level (2-tailed).

*Source; SPSS output*

*Table 4.9 Relationship between Pay & Benefit, career development, work environment, distributive justice and Turnover Intention*

From the above table shows that the turnover intention is significantly and negatively correlated to pay & benefit, work environment and distributive justice. Therefore, the results support the hypothesis that satisfaction with pay & benefit is negatively related to turnover intention among the ‘professional and semi professional employees in AAHDPO ( $r = -0.181, p < 0.01$ ).

The correlation analysis above shows that career development is a insignificant predictor of turnover intention ( $r = -0.107, p < 0.01$ ). Thus providing not supports for hypothesis that satisfaction with career development is significantly and negatively related to turnover intention of ‘professional and semi professional employees at AAHDPO. The correlation of  $p = -0.107, p < 0.01$  also indicates that career development has low relationship with turnover intention.

In Table 4.9, the correlation analysis for work environment ( $r=-0.238$ ,  $p<0.01$ ) supports the hypothesis that satisfaction with the work environment is significantly and negatively related to turnover intention of professional and semi professional employees at AAHDPO. Thus, support the hypothesis that satisfaction with work environment has strong influence in determining turnover intention among professional and semi professional employees at AAHDPO. The strength indicates low negative relationship between working condition and turnover intention.

In Table 4.9, the correlation analysis for distributive justice ( $r=-0.253$ ,  $p<0.01$ ) supports the hypothesis that satisfaction with the distributive justice is significantly and negatively related to turnover intention of professional and semi professional employees at AAHDPO. Thus, support the hypothesis that satisfaction with distributive justice has strong influence in determining turnover intention among professional and semi professional employees at AAHDPO. The strength indicates relatively strong negative relationship between distributive justice and turnover intention.

## **4.5. Result of regression analysis**

### **4.5.1. Regression Analysis and their Interpretation**

In this section, the researcher used multiple regression analysis to detect the relationship between the dependent and independent variables. Further, regression analysis helps the researcher to understand how the typical value of the dependent variable changes when any one of the independent variables is held fixed (Julie and Pallant, 2005). Multiple regressions is not just one technique but a family of techniques that can be used to explore the relationship between one continuous dependent variable and a number of independent variables or predictors (usually continuous). According to Julie and Pallant (2005: 42) before proceeding to multiple regressions analysis, first the researcher has to check the following assumptions such as sample size, outliers,

normality, linearity, multi colinearity and singularity, and found they were not a problem for the researcher. Then the researcher proceeds to the regression analysis.

For the purpose of determining the extent to which overall turnover intention of a project depends on the explanatory variables such as pay and benefit factors, career development factors, work environment factors, and distributive justice factor the researcher used multiple regression analysis models below table 4.10

**Table 4.10 Model summary of multiple regression analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.328 <sup>a</sup>	.108	.096	.67022

Source: Author Competition

- a. Predictors: (Constant), distributive justice, career development, pay and benefit, work environment
- b. Dependent variable; Turnover intention

Table 4.10 above indicates R, R Square, Adjusted R Square and standard error of the estimate.

Further, it lists the independent variables that are entered in to the regression model. R (.328) is the correlation of independent variables with the dependent variables after all the inter correlation are taken into account. The model summary, above shows the R Square is .108. This tells us how much of the variance in the dependent variable (employees' turnover intention of AAHCPO) is explained by the independent variables (pay and benefit factors, career development factors, work environment factors, and distributive justice factor). This means that our model (independent

variables) explains 10.8% of the variance in turnover intention (dependent variable). To assess the statistical significance of the result it is necessary to look in to table 4.11 ANOVA.

**Table 4.11 ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.368	6	3.395	7.736	.000 <sup>b</sup>
	Residual	131.651	300	.439		
	Total	152.019	306			

*Source: Author Competition*

**a.** Dependent Variable: turnover intention

**b.** Predictors: (Constant), tenure, work environment, pay and benefit, career development, age of respondents, distributive justice

Source: SPSS output

The ANOVA Table 4.11 above shows that p - value (sig.) is significant at 0.01 level of significance. This indicates a statistically significant contribution, as indicated by the significant change value equal to .000. Therefore, the ANOVA table indicates that the model as a whole is significant at  $p < 0.01$ .

The R<sup>2</sup> result indicates that 10.8% of the variance in employees' turnover intention of AAHCPO has been significantly explained by pay and benefit factors, career development factors, work environment factors, and distributive justice factor.

Accordingly, since the sign of 'B' coefficient for the independent variables is negative, therefore there is a negative relationship between the variables

**Table 4.12** Coefficientss<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.416	.411		10.755	.000
1 Career development	-.079	.081	-.055	-.974	.331
1 Pay and benefit	-.162	.061	-.149	-2.648	.009
1 Work environment	-.131	.074	-.114	-1.761	.079
1 Distributive justice	-.166	.056	-.188	-2.937	.004

Source: Author Competition

**a. Dependent Variable: turnover intention**

The next thing we want to know is which of the independent variables (pay and benefit factors, career development factors, work environment factors, and distributive justice factor) included in the model contributed the highest to the prediction of the dependent variable (turnover intention). From the above table it clearly shows that work environment and career development are insignificant to turnover intention.

According to Julie Pallant (2005 pp 153-154) in the table 4.12 we need to look in the column labeled Beta under Standardized Coefficients. Under the Beta column we select the largest value. In this research case the largest beta coefficient is -.188, which is distributive justice factor. This means that this variable makes the strongest unique contribution to explaining turnover intention, when the variance explained by all other variables in the model is controlled for.

However, according to Julie Pallant (2005, pp 153-154) to confirm this variable as unique contributor to turnover intention, we have to check the sig must be less than .05. This may tells us

whether this variable is making a statistically significant *unique* contribution to the equation. The above table 4.12 shows that the Significant. value of two variables is less than 0.05. Therefore, this indicates that the distributive justice is not making a significant unique contribution to the prediction of the dependent (turnover intention) variable. This may be due to overlap with other independent variables in the model. Therefore, we can conclude that, no variables made a unique, contribution to the prediction of turnover intention of AAHCPO.

Using the regression analysis output obtained from SPSS Table 4.12, the following general equation (model) for the current AAHCPO situation is formulated.

The explanation of the four independent variables is by using the multiple regression equation:

$$y = a + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_nx_n$$

Based on the beta coefficient from the Table4.12, the regression weight for ‘pay and benefits-.162, career development is -.079, ‘distributive justice’ is -0.166 and ‘work environment is -0.131 Hence, the multiple regression equation (fitted model) is as follows:

Employees’ turnover intention of AAHCPO= 4.416 - 0.079 career development factor - 0.162 pay and benefit factors - 0.131 work environment factors - 0.166 distributive justice.

Based on the equation above, the relative predictive importance of the independent variables is established by comparing these standardized beta weights, hence it can be concluded that among the four independent variables, relatively distributive justice is more influential than other variable in predicting employee’s turnover intention in AAHDPO.

Results presented the results of the statistical analyses of the hypotheses based on the data collected from the questionnaire. The relationship shown and discussed among the variables used the Pearson correlation analysis and multiple regressions. The analysis shows that the data supported Hypotheses 1 :Pay and benefit is negatively related to employee turnover intention in Addis Ababa

Housing Construction Project Office and H4: distributive justice is negatively related to employee turnover intention in Addis Ababa Housing Construction Project Office. The equation is used whenever practical level of each factors are measured based on the overall turnover intention of the project is required to be computed.

#### 4.6. Summary of Hypothesis Testing

This chapter has analyzed each of the hypothesis which already been discussed in Chapter 2. The results of hypothesis testing are as summarized in

Table 4.13. Summary of Hypothesis Testing

<i>hypothesis</i>	<i>Factors (model variable)</i>	Estimate	S.E	C.R	P	result
H1	<i>Pay &amp; benefit</i>	-.162	.061	2.68	.009	Supported
H2	<i>Career development</i>	-.079	.081	-974	.331	Not Supported
H3	<i>Work environment</i>	-.131	.074	1.76	.079	Not Supported
H4	<i>Distributive justice</i>	-.166	.056	-2.937	.004	Supported

Source; Author generated table

#### 4.8. Result from Qualitative Data

These individual interview questions were for both 18 project HR support process leaders and 11 project managers. To support the finding from the quantitative data, respondents that are in managerial position were asked the issues raised were whether the turnover had been a serious problem, whether pay and benefit in the AAHDPO was adequate compare to similar organization, whether work environment were conducive for the employees to work for organization, whether

career development is applied in the project do you know the reason of leaving the project. Finally level of employees' satisfaction and turnover intention

The result of the interview made with project manager and HR is presented below.

All the respondents from the management agreed on turnover were a serious problem in the project because every year the turnover of skilled personnel at the project was substantially high. Regarding pay and benefit, they said that the amount of salary paid was not comparable to employees' contribution, the value of the profession, and the present cost of living. Regarding work environment, all respondents agreed that the project site were found bad because on construction sites there were inadequate infrastructures, lack of water supply, and lack of transportation facilities, internet access, etc.)

All interview participants said the general level of the job satisfaction of the professional and semi professional's employees' of the project was low. Their reasons were the low salary and benefit has an influence on satisfaction level of the professional's employees. However, there was no discrimination among employees. Except project manager, all position are covered by merit base.

To sum up the above points in this study inadequate salary, poor working conditions, and lack of opportunity for Continuous career Development are the factors that were indicted by AAHDPO respondents' as a cause for turnover intention.

## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS**

The chapter summaries and concludes the findings of the study in the effects of job satisfaction on employee turnover intention.

#### **5.1 Summary of the Findings**

The present study measured the job satisfaction and turnover intention among professional and semiprofessional employees' in Addis Ababa Housing Development Project Office. The research instrumentation was a 34 items of questionnaire distributed to the target respondents. The questionnaire was designed to collect the personal characteristics of the respondents and components of Job Satisfaction (pay, career development, work environment, and distributive).

The data collected were analyzed by using SPSS Version 20. Out of 340 samples distributed, the researcher managed to collect back 315 which is which is around 92.45% the questionnaires with the help of branch dispute manager and human resource support process.

This study aimed at answering the question “Do job satisfaction factors have relationship with turnover intention?” The hypothesis states, “There are strong negative relationship between pay and benefit, career development, the work environment, distributive justice and turnover intention among professional and semiprofessional employees”. Furthermore, the scores on job satisfaction variables were comparing between each other to find out the most dominant factor of turnover intention.

The four variables of job satisfaction namely pay and benefit, career development, the work environment and distributive justice were selected because there are the most common variables in the project that will cause satisfaction of the workers. Only the two facets of job satisfaction show

significant negative relationships with turnover intention. Thus, the entire hypothesis is substantial. It shows that pay, benefit career developments are tested in this study can influence the intention of workers to leave the project.

- The mean value of job satisfaction was calculated as (mean = 3.7158) resulting into a disagree response regarding job satisfaction; thus the average "professional and semiprofessional" employee reports to be dissatisfied.
- Turnover Intention data (mean value of 2.36) indicates that most professional employees of the project are agree about having turnover intention; thus the average "professional" employee reports agreement in having intentions to leave the project.
- Pay & Benefit data (mean value of 3.8795) indicates that most professional employees of the project are disagree about pay & benefit; thus, significant effect of pay & benefit on job satisfaction.
- Career development in AAHDPO has been rated disagree by employees as (the mean value of 3.9653) indicated in this research; thus, career development were significant effect on employees' job satisfaction.
- (Mean value of 4.0611) for working environment shows that the professional employees in the project are disagree about working environment and thus, significant effect of working environment on job satisfaction.
- Distributive justice in AAHDPO has been rated disagree by employees as (the mean value of 3.4656) indicated in this research; thus, distributive justice will have moderate effect on employees' job satisfaction.

### **5.1.1 Relationship between Job Satisfaction and Turnover Intention**

Job satisfaction was measured as a summation of the facets pay and benefit, career development, distributive justice and work environment. Based on the descriptive statistics on job satisfaction, "professional and semiprofessional" employees of AAHDPO were reported a mean of 3.72 on the 5-point Likert scale. It is evident that the average "professional and semiprofessional" employee reports to be dissatisfied.

Employees' turnover intentions were measured as a single variable. Based on the descriptive statistics, "professional and semiprofessional" employees of AAHDPO were reported a mean of 2.37 on the 5-point Likert scale. Thus, the average "professional and semiprofessional" employees report agreement in having intentions to leave the project.

Based on the correlation test it became evident that the average respondent who reported levels of disagreement with being satisfied also reported levels of agreement with having turnover intentions to leave project. Thus in the case of Addis Ababa Housing Project Office, the correlation test results prove the existence of a significant strong negative relation between job satisfaction and turnover intention.

This significant negative cause-effect relationship is supported by similar findings mentioned in the theoretical framework. Noteworthy is one of the most traditional turnover theories, which was developed by Mobley (1977). He theorized that job satisfaction, or lack thereof, led to thinking about quitting, which led to job search, which could then lead to an intention to quit, or vice versa, which could eventually result in actual turnover.

The measurement of job satisfaction and turnover intentions is a snapshot and can change. In AAHDPO case, the existing feeling of job dissatisfaction is associated with intentions to quit. The current "professional and semi professional" employees at AAHDPO mostly have good educational

backgrounds, attractive skill-sets and have relatively high expectations towards attractive pay levels, career opportunities and attractive work environment. If the high expectations are not met, job dissatisfaction in its various facets could be the effect to turnover intentions and actual turnover could be the final result. The correlation tests in chapter four confirm that the four job satisfaction facets pay& benefit, career development, distributive justice and work environment have high correlation coefficients with turnover intention. Moreover, there was a strong negative relationship between turnover intention and these two pay and benefit and distributive justice facets meaning that these facets are associated the most with intending to leave the organization based on job satisfaction

## **5.2 Conclusion**

The main purpose of this study was to identify the main factor in job satisfaction that would contribute turnover intention among employees. Turnover intentions are not explicit, but mere statements, indicators and predictors of actual turnover behavior. The formulated objective of this study was to investigate the direct relationship between job satisfaction and employees' turnover intent.

In regard to the first part of the objective it can be concluded that the investigation has yielded significant evidence that is in line with the theoretical assumptions on which the study is based. The posed research question related to the first part of the objective was: *“what is the level job satisfaction in AAHDPO?”* The evidence shows that the majority of the respondents are dissatisfied by the project pay and benefit, work environment and distributive justice even if it was supported by high official during the interview.

In regard to the second part of the objective of this study it can be concluded that the examination of the effects satisfaction with work environment, pay and benefit, distributive justice and career development all have a significant negative relationship with turnover intention. The

related research question was: “*what are the factors of satisfaction affecting turn over intention?*” “The evidence presents a significant negative relationship between job satisfaction factors (pay and benefit and distributive justice) and turnover intentions. This is proven by the acceptance of the one and four hypotheses (H1&4): “*There is a significant negative relationship among pay and benefit and distributive justice and turnover intention*”.

This research endorses the existence of relationship between job satisfaction and turnover intention. Statistical results demonstrate that the independent variables like pay and benefit, career development, work environment and distributive justice influence the turnover intention; hence the statement upheld in hypotheses is supported by evidences furnished in study factor that effect the turnover intention.

Finally the researcher concludes that, no variables made a unique, contribution to the prediction of turnover intention of AAHCPO.

### **5.3 Recommendation**

Based on the findings and conclusions of the study, the researcher forwards the following recommendations to the management of AAHPO and other researchers.

- Since the findings of the study proved that there are different factors that affect the level of intention, the management give attention these factors that have direct or indirect influence on turnover intention of staffs so that the sense of responsibility may be uplifted by the employees.
- The project management should consider incentives and periodically adjust salary for professional and semi professional employees’ to increase their satisfaction with pay and benefits. Not forgetting to mention also devising performance based reward and benefit system, and salary increment to staff members during the same period.

- Management should work towards creating smooth and conducive work environment and work closely with subordinates and providing all required comfort and ease to perform the job to the employees to retain its qualified and experienced employees.
- A distributive justice to a higher level within the organization was one of the important factors influencing level of intention. However, employees of this project were found less satisfied in this regard as the result, to reduce turnover intention, the project management should provide encourages and promotes Zero discrimination against any of its employees and the project need to evaluate and modify their promotion policies in a fair way which would enable promotions for candidates only on the basis of employee performance
- Finally, future research also needs to explore the effects of additional variables such as organizational commitments and culture, supervision, co-workers and others those were not measured in the current study, which can also directly or indirectly influence professional and semi professional“ turnover intention.

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Appendices

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE**  
**MA PROGRAM IN HUMAN RESOURCE MANAGEMENT**  
**QUESTIONNAIRE TO BE FILLED BY EMPLOYEES**

**Dear Sir/Madam,**

I am currently conducting a Masters of human resource management research /thesis/ at Addis Ababa University School of Commerce. The aim of this questionnaire is to study THE EFFECTS OF JOB SATISFACTION ON EMPLOYEES' TURNOVER INTENTION IN ADDIS ABABA HOUSING CONSTRUCTION PROJECT OFFICE.

Your genuine and prompt reply is critical for the success of this research. Therefore, your support in this regard is highly appreciated. All data included in this questionnaire will be used only for academic research and will be strictly confidential. There is no need for writing your names. After all questionnaires are collected and analyzed, interested participants of this study will be given feedback on the overall research results.

I look forward for your answer and welcome further discussion on this research. Thank you for your cooperation.

Yours Faithfully

AWOKE WOSENE  
email;awo2016wos@gmail.com

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**A- General Background of Respondents (Demographic Information) .**

- 1. Sex Male  Female
- 2. Age 18-25  26- 35  36-40  41 -55  51- 60  above 60
- 3. Educational Background Certificate  Diploma  Degree  Master

If others specify-----

- 4. Service years in this organization 1-3  4-7  8 and above
- 5. What is your current occupation in the project \_\_\_\_\_

**B. Items concerning job satisfaction and turnover intention of current employees**

**Directions:** using the key below, please circle your best responses to the following statements on a scale of 1 to 5, where; 1. strongly agree 2. Agree 3- Neither Agree nor Disagree 4- Disagree 5- Strongly disagree

A		Satisfaction on Benefit and salary packages				
1	I feel that I am well paid in comparison with my experience, responsibilities and qualification that is equal to the required job.	1	2	3	4	5
2	Attractive salary and benefits are the major drivers that would make me stay in my current job.	1	2	3	4	5
3	Regarding salary, I feel that I am treated fairly compared with colleagues in my organization who have	1	2	3	4	5

	similar qualifications and who have served a similar number of years					
4	The benefits we receive are as good as most other organizations offer.	1	2	3	4	5
5	The project benefit package in relation with similar organization is satisfactory	1	2	3	4	5
6	I feel my salary are enough to support my life style					
B		satisfaction on career development				
1	My job has good promotion and I have the ability to grow in my job	1	2	3	4	5
2	The project arranges continuous training and development programs to enables my professional growth	1	2	3	4	5
3	The PROJECT gives enough recognition for well done work and I feel I am appreciated at work	1	2	3	4	5
4	I feel that I have a bright future with the project and so I will remain in the organizations	1	2	3	4	5
5	There is fair and transparent carrier development system in the project	1	2	3	4	5
C		Satisfaction on Work environment				
1	I'm satisfied with the overall work environment of the	1	2	3	4	5

	project					
2	The working environment is comfortable and allows ease to perform my job.	1	2	3	4	5
3	The construction sites are safe neighbors and comfortable	1	2	3	4	5
4	My present job is Stressful work environment	1	2	3	4	5
5	Good working environment is the major driver that would make me stay in or leave my current job.	1	2	3	4	5
	D	Satisfaction on distributive justice and fairness				
1	The work load is divided equally among all the projects employees	1	2	3	4	5
2	My qualification and experience are considered for promotion and the opportunity are equal to other employees	1	2	3	4	5
3	Pay is increases depend on my performance	1	2	3	4	5
	E	Intention to leave				
1	I often think of leaving my organization	1	2	3	4	5
2	It is very possible that I will look for a new job next year	1	2	3	4	5
3	I intend to leave this project within a short period of time	1	2	3	4	5

4	There is really too little chance for promotion on my job.	1	2	3	4	5
5	Recently, I often think of changing my current job	1	2	3	4	5
6	I am already fed up with working in AAHCPO, so I am searching for a better job in a better organization at the moment	1	2	3	4	5
7	I stayed at the current job because I don't have other options.	1	2	3	4	5
8	Whenever I get a job in another company definitely I leave this project	1	2	3	4	5

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE**  
**MA PROGRAM IN HUMAN RESOURCE MANAGEMENT**

**Interview Questions for Housing management**

- 1 Do you feel that employee turnover from the organization is a serious problem?
2. Do you know why employees are leaving the organization? \_\_\_\_\_
3. Is the working environment of the project is attractive in compare to other competing organization?
4. Does your organization have mechanism that can improve the level of employee job satisfaction?

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5. What do you think the level of satisfaction of your employees?

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6. What challenges have you faced with regard to job satisfaction?

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