

**Staff Turnover in Ethiopian Airlines: A
Government Undertaking and a Global
Challenge.**

**A Thesis Submitted to the School of Graduates
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Fulfillment of the Requirements for the Degree of
Masters of Educational Leadership and
Management**

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Declaration

I, Ayele Gemechu, hereby declare that the research entitled **staff turnover in Ethiopian airlines: a government undertaking and a global challenge** is my original work and has not been presented for a degree in any other university and that all sources of material used for the research has been duly acknowledged.

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Signature

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Dedication

My thesis should goes to the memory of Ethiopian crew: Habtamu Benti Negasa (Captain), Alula Tamrat (Co-pilot), Gelila Gedion (Senior Cabin Crew), Seblewongel Seyoum (Lead Cabin Crew), Helen Addis (Cabin Crew), Netsanet Yifru (Trainee Cabin crew), Seble Geberetsadik (Cabin Crew) and for the 82 passengers who lost their lives on the tragic accident of Ethiopian B-737-800 ET flight number 409 on January 25, 2010.

The Boeing 737 crashed into the Mediterranean Sea shortly after took-off from Beirut Raffic Hariri International airport, with 82 passengers and eight crew members on board.

May God give Ethiopian employees, the family of crew and passengers the strength to bear this great loss.

Acronyms

1. **ET:** Ethiopian Airlines
2. **EAL:** Ethiopian Airlines
3. **HR:** Human resource
4. **HRM:** Human Resource Management
5. **CPID:** Chartered Institute of Personnel and Development
6. **VP:** Vice President
7. **EVP:** Executive Vice President
8. **CEO:** Chief Executive Officer

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Abstract

This research is a comprehensive evaluation and analysis of the factors that contribute to staffs turnover in Ethiopian airlines and seeks to uncover best practices for preventing the loss of key talent, specifically it aims to analyze staffs turnover in the departments of maintenance and engineering, marketing, finance, purchasing and flight catering departments. High potential professionals are unlike any other subset of the workforce. These high performers crave challenge and responsibility; they feel most fulfilled when being pushed to their limits. Along with the demanding nature of life at other airlines, employees expect a better work/life balance and extensive career development opportunities. Effective two-way communication must be in place at firms to uncover employees' expectations and to create a motivational environment to achieve the shared goals for success. High labor turnover has become a problem for many companies, well experienced and qualified professionals leave position they held in offices. Ethiopia is one of the victims of this high labor turnover. Currently Ethiopian is facing a frequent turnover of staff, and this turnover is costing the company in terms of productivity, money and times. To researcher used descriptive survey research method with the assumption that it could help to identify the causes of turnover. One important use of descriptive statistics is to summarize a collection of data in a clear and understandable way and also it used to present quantitative descriptions in a manageable form. Thus, this approach enabled the researcher to examine the prevailing constraints that need to be alleviated. To study this turnover in the company the researcher has used both primary and secondary data. With regard to primary data, first hand data have been collected through questionnaires filled by twenty terminated, two hundred seventy one existing non-management staffs and sixty nine management staffs selected based on random sampling, purposive sampling and availability sampling; and secondary data were collected from relevant literatures, various available documents which constitute guidelines regulations and directives of the company were reviewed to acquire the background information about the issue under the study. Relevant data were collected from the organization's five years strategy document, moreover, different literatures about staff turnover, staffs retention mechanisms, and other human resource management books, websites (internet) and other available sources were referred and cited in the research to assess the impact of staff turnover in Ethiopian and to provide possible recommendations. The findings of the study also revealed that the causes of staff turnover are a combination of factors: poor leadership in the departments where the research is made, dissatisfaction with the job and the work environment, better job opportunity in other airlines and organizations, educational opportunity, inadequate salary levels, poor morale and low level of motivation within the workforce; a buoyant local labor market offering more attractive opportunities to employees and mismatch between employee's personal values, career, goals and plans with the larger company culture. Based on the research summary, conclusion and recommendations were provided to come up with problem of turnover in the company.

CHAPTER ONE

Introduction

1.1 Background of the study

In any organization people are dissatisfied when they do not get what they want (expect). Employees can express their dissatisfaction in different ways. Dissatisfied employees might prefer optimistically waiting for conditions to be improved or actively and constructively attempt to improve conditions.

But if they think that the situation is deteriorating and discouraging they may neglect the situation by allowing worsening. This will result lateness, reduce effort and absenteeism. If this seems not appealing they may choose to move to a place where there is a chance of getting what they want is better or satisfactory.

Employees' job satisfaction has impact on turnover and absenteeism. It is unquestionable that dissatisfied employee will not want to stay at the organization, this expressed mainly through turnover or exodus of employees to other organizations which have attractive working conditions. This reaction highly affects the organization's productivity, reputation and efficiency.

Money and technology alone won't solve organizations problem. We also need the key ingredient people we need top and trained people at all levels to achieve organization goal, objectives, mission and vision (William 1993, pp 328).

To possess well trained, qualified employees organizations should do their best to maximize their employees' job satisfaction. When employees' needs are unmet turnover, absenteeism and union activity are more likely (William 1993, pp599).

Any organization must know current levels of turnover before it can decide whether steps need to be taken to reduce them. Objective measurement is essential if the cost of labor turnover is to be calculated accurately. If turnover of staffing and recruitment needs are to be estimated reliably, account will need to be taken of past levels of labor turnover. In light of these, the study will investigate staffs turnover, its causes and organizational cost implications as well as internal instability in Ethiopia airlines.

ET in its vision 2010 has a vision of investing in a highly trained, motivated and dedicated workforce. It mentioned in its vision its greatest assets are its people. In order to fulfill its vision and mission and execute on its strategic objectives it is imperative to have a holistic human resource management strategy (Ethiopian Airlines Five Years 2008/09-2012/2013 Human Resource Strategy).

Human resource management plays a crucial role in achieving these strategic objectives by aligning human resource functions with Ethiopian's business strategy and ensuring that its human resource functions and departments are business-driven, customer focused and solution-oriented.

1.2 Statement of the problem

Organizations operate under complex and dynamic environment. Any organization must control its weakness and exploit its strength of the internal environment by adjusting itself to threats and opportunities offered from the external environment. In order to cope up with the environment, management of resources most importantly the human resource is the vital one for the success of any organization to accomplish its objectives.

A number of Ethiopian airline employees have left the airline at different times because of various reasons. It is obvious that people in an organization are valuable resources representing a significant investment of organizational efforts. These human resources can be a source of a competitive strength, if they are managed effectively. Strategically, then, human resources must be viewed in the same context as the financial, technological, and other resources that managed in an organization.

Organizations consist of groups of workforces to achieve common goals. One of the critical resources of the organization is the human resources. Human resource managers are in the organization for undertaking the basic activities of human resource management. Besides, the human resource managers have not facilitate only about the productivity of the organization but also to ensure and practice about the proper management of existing human resource because staffs turnover is undesirable, expensive and a critical variable.

Turnover rate is quite high in developing countries where brain drainage also intensifies the problem. Ethiopian Airlines is the victims of this problem. Even though it has realized a progress it faces a severe problem due to the high mobility of skilled labor-force particularly in departments of maintenance and engineering, flight catering, purchasing, finance and marketing agents in search of better working environments.

Staff turnover is negatively related to organizational effectiveness and is taken as dysfunctional action. In addition, turnover contributes for organizational instability; especially when key performers leave the organization. The cost of turnover is much greater than cost of retention and sometimes 1 to 2 time's annual salary (Phillips, 1999:181). Apart from organizational cost, staff turnover is one of the measuring factors of effectiveness on human resource management practices.

Many organizations including aviation industries are facing staff turnover so that they incur significant amount of costs. The mass exodus of cockpit crew, aircraft maintenance technicians and other aviation personnel from Africa to other parts of the world is threatening the survival of African carriers (The Reporter Oct.3, 2009). Hence, this study analyzes the current situation of staffs' turnover for aviation industries especially the Ethiopian airlines and attempt to answer the following basic questions:-

1. What are the major factors that make staffs to leave their jobs?
2. Do Ethiopian management staffs aware whether turnover of the skilled labor in the company is a serious problem?
3. What policy measures should be taken by the company to stop the staff turnover?

1.3 Objectives of the study

Turnover becomes a common phenomenon in Ethiopian due to various reasons. Good employees really matter to any organization and it is the duty of the employer to retain them at any cost. If the employee chooses to leave, the organization would face the ramifications, especially if he joins a competitor's organization. However, the cost of retaining the skillful employee may differ from one organization to another.

The overall objective of the study is to identify the real cause of employee turnover in case of Ethiopian Airlines and suggest possible alternatives to minimize turnover and its consequences.

Comparing to the other companies in the country relatively Ethiopian pays more salary and provide better benefits like free transportation services, medical benefits, insurance and free air tickets for employees and their family and parents. With all these benefits still employees leave the company. But why?

1.4 Specific Objectives

In line with the above stated general objectives the researcher is interested in achieving the following specific objectives:

- ➔ To see whether or not the working environment is conducive and attractive to work with.
- ➔ To see whether employees are satisfied with the existing supervision and management at the airline.
- ➔ To identify the major causes of staff turnover in the well functioning and popular airline of the country.
- ➔ To identify at what point of experience/year of service most employees leave the organization.
- ➔ To suggest what corrective actions should be taken to minimize staff turnover.

1.5 Significance of the study

The Ethiopian airlines success can be measured mainly through its delivery of quality serves to their beneficiaries/customers. This can be achieved through designing of well formulated plans and programs, allocation of sufficient funds and materials, assignment and retention of committed and competent staffs. However, currently the airline is affected by high staffs turnover. Due to this high staffs turnover the airline is losing its experienced employees who have better experiences and capacities. Therefore, this research is aimed to pinpoint and provide solutions to the problems associated with high staffs turnover in the airline. The findings in this research are helpful for the identification of factors that contribute turnover, determining the various aspects of costs for the organization. It also helps for managers, directors, VPs, EVPs and CEO to think of the negative consequences for provision of quality service. The study justified the cost of turnover is such higher than the efforts made for retention as well. Finally, the study will contribute to design training and awareness sessions on the impact of staff turnover on organizational cost and internal instability and it can also serve as an aid for improving decision making.

The study is important in identifying the causes of staffs' turnover and helps management to take remedial action against the adverse working conditions as identified with this study. The research shows the degree of employees' job satisfaction; show areas where employees feel satisfaction or dissatisfaction, the relationship between line staffs and bosses and reasons for turnover.

The outcome of the study can help the organization for assessing and take corrective action on employees pay level, working environment, motivational schemes, benefit package their attention to employees and training and development programs and their personnel practices so as to maintain employees satisfaction for the achievement of goal and objectives of the organization.

The study is also significant in identifying the causes of the employees' turnover at Ethiopian airlines and brings into light those problems to take remedial actions by the concerned bodies.

1.6 Limitation of the study

Employee turnover is a very comprehensive term, including voluntary and involuntary turnover. As the research based on terminated, existing and management staffs the major limitation of this study is the difficulty in finding terminated employees which forced the study to depend on a few numbers of ex-staffs of the company.

1.7 Delimitation of the study

This study was conducted in Ethiopian airlines and mainly focuses on factors that contribute for staffs' turnover. The study is, however, delimited in such a way that, broadness of the subject's area and the constraint of not meeting personally the staffs who left the company and also due to the condition of the company's work environment the staffs whose delivered the questionnaire were not available to collect the questionnaire because of work shifts and load of works. Due to limitation of time from the employees' side it was also difficult to collect all the questioners' sent to the respondents. Besides, the research emphasis was restricted to staffs turnover of local staffs of the company i.e. it excluded expatriates and staffs who are assigned out station (those who work out of Ethiopia).

1.8 Organization of the study

The study is organized in five chapters. The first chapter deals with introductory part of the research in which background of the research, significances of the study, statement of the problem, objectives of the study, limitation of the research, organization of the paper and definition of terms are incorporated.

Chapter two comprises literature review; chapter three comprises methodology and research design used and briefs the background of Ethiopian airlines, its establishment, its mission, vision and values of the company. The fourth chapter includes the presentation and analysis of the empirical data collected through the questionnaires administered. While the fifth chapter brings the study to final by presenting summary, conclusion that are deduced from statistical analysis and theoretical background in previous chapters and recommendations.

1.9 Definition of terms

1. **Induction:** initial orientation and training of a new recruit.
2. **Separation cost:** cost of a process of separating somebody.
3. **Replacement cost:** cost incurred in the process of some body replaces the other.
4. **Turnover:** any permanent departure beyond organizational boundaries.
5. **Code Share Agreement:** is an agreement between two or more air carriers whereby the carrier operating a given flight allows one or more other carriers to market this flight and issue tickets for it as if they were operating the flight themselves. In practice, these other carriers add their own carrier designator code and flight number onto that of the operating carrier. Code share partners also agree on how they compensate each other for the seats they sell on one another's flights. (www.bundeskartellamt.de)
6. **Strategic Partnership:** A formal alliance between two commercial enterprises, usually formalized by one or more business contracts but falls short of forming a legal partnership or, agency, or corporate affiliate relationship. (en.wikipedia.org)

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This part of the study incorporates reviewed information from various literatures which is relevant to the study.

2.1. Defining staff turnover

The emergence of different organizations in the nation and the related increase in the requirement of skilled labor force leads for competition of organizations to hire and maintain the best employees. Hence staffs turnover becomes one of the major human resource problems of most organizations. Different scholars have defined staffs turnover in the following manner.

Turnover is defined as any departure beyond organizational boundaries (Macy & Mirvis, 1976) and according to Ivancevich and Glueck, (1989) staff turnover is the net result of the exit of some employees and entrance of others to the organization (pp873).

According to Kossen (1991), staff turnover is the amount of movement in and out of employees in an organization (pp212). Singh and others, 1994, also defined staff turnover as the rate of change in the working staffs' of a concern during a definite period. (Singh, and others 1994 pp345).

Turnover, as per Wikipedia (the free encyclopedia), in a human resources context refers to the characteristic of a given company or industry, relative to rate at which an employer gains and loses staffs. (Wikipedia, the free encyclopedia, 2006).

Most of the above scholars have defined staff turnover in terms of the indefinite period (permanent) employment contract made between employer and employee. As a result they have assumed the in and out movement of all staffs with out considering the type of employment. The definitions given by the authors are from their own perspective and possibly one of the definitions can fit for the purpose of this study.

Staff turnover that can occur in any organization might be either voluntary or involuntary. Voluntary turnover is refers to termination initiated by employees while involuntary turnover is the one in which employee has no choice in the termination as it might be due to long term sickness, death, moving overseas, or employer-initiated termination (Heneman and others, 1998 pp 181).

Turnover can be classed as internal or external. Internal turnover involves employees leaving their current position, and taking a new position with the same organization. Both positive enforcement (such as increased employee motivation and commitment) and negative consequences (such as project/relational disruption) of internal turnover exist, and thus this form of turnover may be as important to monitor as its external counterpart. Internal turnover might be moderated and controlled by typical human resource mechanisms, such as an internal recruitment policy or formal succession planning (Wikipedia, the free encyclopedia).

2.2 Measuring Staffs Turnover

The commonly used formula to calculate a crude turnover rate for any given period is described as shown below by the United Kingdom based Chartered Institute of Personnel & Development (CIPD) 2006 report.

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

However, Loquercio suggest that number of leavers should encompasses all leavers, including people who left due to dismissal, redundancy, or retirement, but it typically excludes those leaving at the end of fixed contract. The main purpose of excluding fixed term employees from the calculation is that it does not indicate the real problem of the organization (Loquercio, and others, 2006 pp 1).

2.3 Factors Affecting Staffs Turnover

Employees move from one organization to the other and from one industry to the other for different reasons. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them like higher salary or better benefits; on (<http://www.cipd.co.uk/surveys>) CIPD, Employee Turnover and Retention, other occasions they are 'pushed' due to dissatisfaction in their present jobs to seek alternative employment. Sometimes it is mixtures of both pull and push factors (Ibid). Turnover ratio tends to be lower during period of economic recession when jobs are scarce and when economic conditions return to normal, disgruntled employees often begins to seek employment elsewhere (Stan Kossen, The Human Side of Organization, 5th ed, 1991 Harper Collins, New York, pp 212).

According to the recent research conducted by CIPD in 2006 in UK, push factors play a major role in most resignations than pull factors. CIPD also emphasized that it is relatively rare for people to leave jobs in which they are happy, even when offered higher pay elsewhere. (CIPD, Employee Turnover and Retention, <http://www.cipd.co.uk/surveys>) In general, employees leave on their own accord or they are discharged. Every separation of an employee from an organization whether voluntary or involuntary is serious problem for the organization. Though some degree of staff turnover is acceptable, it affect the well functioning of an organization if they have excess staffs' turnover. (Loquercio, et al, Understanding and Addressing Staffs Turnover in Humanitarian Agencies, 2006, pp 1)

Therefore, human resource management is one of the most important functions that should be carried out with care and consciously in order to motivate staffs for better productivity and serve the organization for long time. The cause of staff turnover should be studied by management carefully. From the control point of view the staff turnover may either be avoidable or unavoidable. They also further elaborated that unavoidable causes are not fault of management but due to other factors which are not under organizations control like employees personal betterment, domestic affairs such as (Singh BP, et al, 1994 pp 348) marriage and pregnancy, illness, retirement, death, etc. and avoidable causes are like employees dissatisfaction with job, low remuneration, long hour of work and poor working conditions, bad relation with supervisors and fellow workers and redundancy of activities.

According to Dijkstra, Eelco (December 2008) cited in [http:// en.wikipedia.org/wiki high turnover](http://en.wikipedia.org/wiki/high_turnover) often means that employees are unhappy with the work or compensation, but it can also indicate unsafe or unhealthy conditions, or that too few employees give satisfactory performance (due to unrealistic expectation or poor candidate screening). The lack of career opportunities and challenges, dissatisfaction with the job-scope or conflict with the management has been cited as predictors of high turnover.

Low turnover indicate that none of the above is true: employees are satisfied, healthy and safe, and their performance is satisfactory to the employer. However, the predictors of low turnover may sometimes differ than those of high turnover. Aside from the fore-mentioned career opportunities, salary, corporate culture, management's recognition, and

a comfortable workplace seem to impact employees' decision to stay with their employer. (Dijkstra, Eelco December 2008)

Cascio (1982) has concluded in his study that each year many employees resign from their jobs and others do so to move to different locations; and still others quit for undisclosed personal reasons. Some have resigned because they have been told to quit or be fired.

An early review article of studies on turnover by Mobley et al (1979) revealed that age, tenure, overall satisfaction, job content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e., the higher the variable, the lower the turnover). And also another cause of undesirable employees turnover are job mismatch, poor job engagement, inadequate training in critical skills for the job and inadequate compensation plans, including incentive plans for salespersons.

According to Deverell (1968 pp162) some of the organizational factors (dissatisfaction with the employing organization) or personal factors or conditions that cause employees to leave their jobs are:

1. Inadequate selection and assignment method may cause unrest and dissatisfaction among new employees. Employees may be placed in jobs are too difficult or their skills may be under used. In either case new employees may become discouraged and may quit in the hope of obtaining more employment elsewhere.

In this research this type of problem is not identified as a major part of the problem by the respondents. This specifically concentrates on new employees, so such type of problem was not explained by any one.

2. In adequate information about jobs or the requirements of the employees needed to fill jobs satisfactorily may result in hiring under qualified or over qualifies employees. Then employees may become discouraged and quit.
3. Unsatisfactory working conditions or surroundings may discourage new employees, unless adequate compensation is made to offset the conditions and a full explanation is given to new employees when they are hired.

The researcher tried to indicate that staffs were discouraged by less payment when compared to their workload and not comfortable with the working conditions too.

4. Lack of opportunity for advancement through seniority or otherwise may result in dissatisfaction that simmers in an employees' mind until he/she finally quits. In case of jobs having no real future applicants should receive a full explanation before they are hired.

The research tried to show lack of opportunity for advancement through seniority is the major concern of the staffs in the company and this mentioned by the respondents as a critical problem.

5. Inadequate or poor supervision is a frequent cause of turnover. Employees need guidance, especially when they are new on the jobs. Lack of good supervision at this critical time often results in termination.

In the research this type of problem is not identified as a concern, this shows the company is doing well especially on the new entrants at the time of their enrollment.

6. An inadequate or unsound wage classification structure may cause dissatisfaction and may result in termination. New employees often wonder why they receive less money than an associate who is apparently performing the same job functions.

Inadequate or unsound wage classification structure causes dissatisfaction among employees in any organization, and this problem is indicated in the research as one of the major reason for termination.

7. Lack of a well-organized training program may result in loss of employees. If employees are not properly trained in their new job, they may think they are not progressing rapidly enough and that advancement is slow.

Lack of a well-organized training program may result in loss of employees, it is true that this is one of concerns that the research has tried to come about it.

8. Ineffective grievance procedures or delays in acting on grievances often result in termination of employment.

Ineffective grievance procedures or delays in acting on grievances often result in termination of employment. This problem is identified by the respondents but not mentioned as a cause of turnover. Many of the staffs are not much comfortable on grievance handling.

9. Lack of proper facilities and appropriate services, such as adequate employee changing rooms, dining areas, breaks, selective health benefits other health and safety provisions are major cause of turnover and absenteeism. Many employees both men & women have dual responsibilities of job and home. Management should consider these matters.

In Ethiopian case the above mentioned reasons as a cause of termination are not a major problem for the company; as the researcher tried to mention in the research the company employees are much more benefited in some cases when compared to other companies.

10. Inadequate community facilities such as housing, transportation, shopping, and banking and recreation area are causes of turnover.

Ethiopian provide facilities for its employees like transportation, free air tickets for employees and its families and their parents as well; currently the company has started building houses to encourages some of its staffs.

Brain drain is one of the reasons for employees to leave their organization. According to Tewodros Tamrat cited in Aviation & allied business journal (Dec.2009-Jan.2010) brain drain in the aviation industry in Africa is part of the bigger global phenomena of brain drain that has caused havoc in many developing countries and across a whole range of social and economic sectors and industries. The causes of brain drain from the developing countries to the more developed countries in general are complex, interrelated involving social, political and economic factors and their solution therefore will be varied and cover a range of areas. Brain drains in Africa aviation is driven by the some factors and shares many of the pull and push factors that contribute to the global brain drain. Political instability, bad governance and corruption and economic concerns such as low salaries, absence of professional opportunities for personal development, morale and job satisfaction, and bad human resource management policies were cited as some of the main cause of brain drain. In addition to these common factors brain drain in the aviation industry in Africa is greatly accelerated in recent years by the high and rapid growth of air transport globally and particularly in Asia and the Middle East.

The deliberate policy of some major Middle Eastern carriers not to train professionals but instead rely on sourcing from other airlines through poaching of trained experienced

aviation professionals has been one of the main causes of brain drain in African aviation. Airlines may also be forced to make do with relatively less experienced pilots as the shortage becomes acute. (p26)

According to Eaton (2001) the expansion of individual airline companies can be impeded in the short term by shortages in particular categories of employees. It could be, for instance, that there are insufficient trained pilots. Doganis has quoted the case of Singapore Airlines, as a result of rapid expansion, having to employ many expatriate pilots during the 1980s, thereby raising its average pay for pilots to levels high relative to neighboring airlines. (pp70).

The significant upward increase in the loss of professional and skilled manpower especially pilots and aircraft technicians has been the cause of disruption of air transport services and forcing some airlines to scale down operation and or put on hold any plan for expansion. This will have a negative impact on the growth of air transport in the individual African countries and the continent at large. More worrying however is the adverse impact on safety. The current effort for a safer African sky could be greatly jeopardized as the shortage of well trained and experienced aviation personnel in critical safety areas limits the capacity of many countries in Africa to adequately shoulder their safety oversight responsibilities pp26. (ibid)

2.4 Types of Turnover

Though there are many causes for staff turnover in an organization, all of them have not negative impact on the well functioning of an organization. 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) while involuntary turnovers are the decision of management to quit employees from work (e.g. dismissal for gross misconduct). In general, all resignations not formally initiated by employers are voluntary resignations. Voluntary turnovers are further distinguished between functional and dysfunctional turnovers.

Functional turnovers are the resignation of substandard performers and dysfunctional turnovers are 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 condition, etc) 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 over which it has control and improves the situation and then staffs retention. The following chart adapted from Loquercio et al gives a clear picture of staff turnover ladder.

Turnover may be voluntary on the part of the employee (for example, resignation) or involuntary (for example, requested resignation, permanent layoff, retirement, death). Campion (1991) cited in Tang suggests that the most important reason for voluntary turnover is higher wages/career opportunity. Some reasons for leaving such as "another job that offers more responsibility", "returning to school full time, "or" improved salary and benefits," are more controllable than other reasons, such as employee death, chronic illness, or spouse transfer. Once the costs of employee turnover are known, therefore an organization must determine which of these costs are reasonably controllable and focus attention on reducing them. (Cascio 1987, pp 21)

According to John cited in (Bernardin, 2003, pp274), separation is cessation of service in the organization for one or other reason. It could be considered as controllable or uncontrollable and occur due to resignation, retirement, dismissal, layoff or death. Uncontrollable is involuntary quit and caused by like retirement, death, or spouse transfer, where as voluntary is controllable and it may be happened due to job dissatisfaction and similar reasons. Mostly it is greater than the involuntary one and it is often studied by management due to a desire to reduce or to contain it in an acceptable level.

Resignation or quit is a voluntary separation initiated by the employee. This shows quit occur when employees choose to leave the organization for reasons other than retirement. But turnover refers to the moment in to and out of an organization by the workforce. It signifies quits and their subsequent replacements (that is, the organization "turns over" the position to a new person) the moment is an index of the stability of that force (Phillips 1999). An excessive turnover rates clearly has a tremendous negative impact on an organization's cost, which means excessive movement is undesirable and expensive. Due

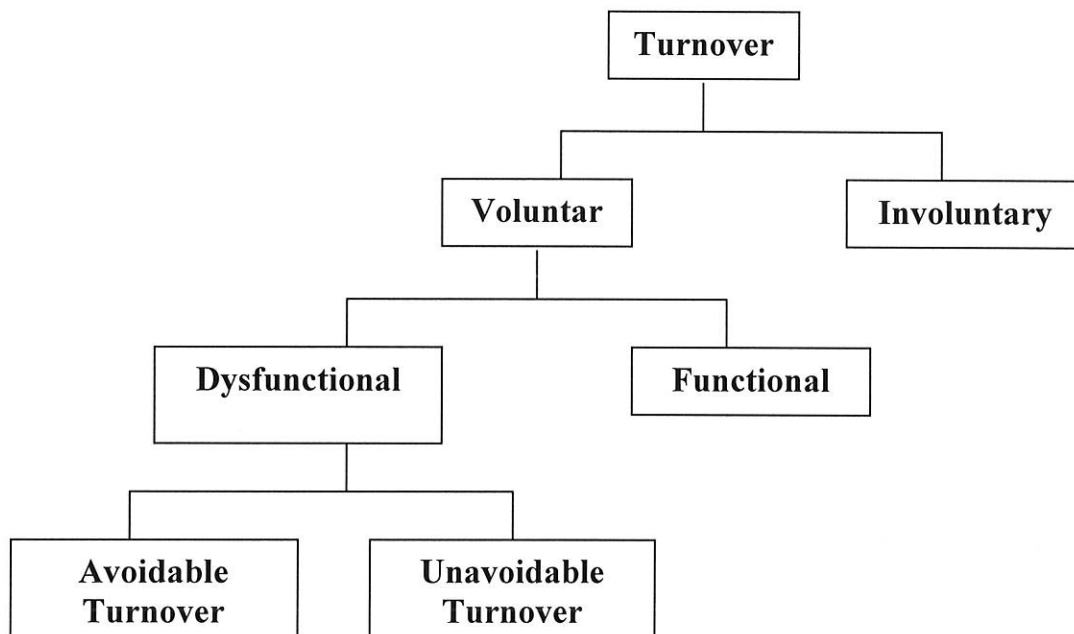
to this reason it has started to be considered as critical variable of human resource management.

Turn over may be functional (desirable) or dysfunctional (undesirable). When high performers who are difficult to replace leave the organization it represent dysfunctional turnovers. When good talent leaves, the replacement costs are often quite high, due to loss of productivity, recruitment costs to find and select new candidates, and training costs for the new replacements hired. On the other hand, when low performers who are easy to replace leave or are let go, ideally to be replaced by more productive ones and also when good candidates for management and leadership positions promotes into higher positions of responsibility it represents functional turnovers.

Though separation is a natural process it is possible to minimize its impact of dysfunctional impact on organizational performance and financial stand by minimizing voluntary turnover.

Fig 1

Types of Staffs Turnover



Source: Loquercio, et al, *Understanding and Addressing Staffs Turnover in Humanitarian Agencies*

2.5 Voluntary Turnover Decision Process

It is believed by literatures that employees make decision for resignation after making some analysis and there is a very wide variety of possible explanations for their voluntary resignations. People become dissatisfied with their jobs for a range of reasons; as explained by Stephen, employees may become bored with the content of job, frustrated by lack of promotion, fed up with their supervisors or irritated by changes in their working environment. In some cases the job may simply fall short of their expectations at the time of appointment. However, Stephen also suggests that, such phenomena are only half the story in most cases, for a resignation to occur the individual concerned must first perceive that there are better opportunities elsewhere and then secure another position. The following ten steps are the decision process for the voluntary turnover. (Taylor, Stephen, Employee Resourcing, Cromwell Press, Wiltshire, 1998, pp 236-23)

1. Evaluate existing job
2. Experience job dissatisfaction
3. Think of quitting
4. Evaluate expected utility of search for a new job and the cost of quitting
5. Decide to search for alternatives
6. Search for alternatives
7. Evaluate alternatives
8. Compare best alternative with present job
9. Decide whether to stay or quit
10. Quit

It is therefore important, when assessing the reasons for turnover and devising remedial plans, to take account not just of employee dissatisfaction, but also of the possible alternatives open to employees, as well as the relative ease with which any such opportunities can be taken up.

2.6 Functions of HRM

Human resource management (HRM) is the set of organizational activities directed at attracting, developing, and maintain an effective workforce (Griffin, 2002 p 418). If these functions do not accomplish properly, it contributes to quit. As it is revealed by the research, the reason for quit are the reflection of individual perceptions and attitudes, inadequate organizational programs & policies, work related factors including pay, role

clarity, co-worker relationships and external factors. On the positive side, better training and development programs, team based work configuration and fair treatment of employees improve performance, increase job satisfaction, decrease employee turnover, and decrease cost. These progressive, human resource management practices can have a significant effect on corporate performance.

Here, it is possible to infer the function of human resource management is not to recruit employees and to handle routine of personnel activities rather to design systems which enhance organizational effectiveness and to make them be preferred by employees.

According to Ethiopian Airlines Five Years (2008/09-2012/2013) Human Resource Strategy the human resource vision of Ethiopia is: "Become employer of choice and high performance organization with well trained motivated and focused human capital" geared with its mission of 'enabling Ethiopia to achieve its corporate objectives by attracting, developing, motivating and retaining performance focused human capital at all times."

One of the highly attention has to be paid by human resource management is to motivate employees to retain in the business. If employees morale is boosted the productivity as well the stability of the company is well maintained. According to Ohanessian & Kleiner, (1999) cited in Eaton with growth, the morale-motivation relationship is more certain. Southwest Airlines has learned that when employees are trusted to apply common sense and ingenuity to a problem they come up with far better solutions than the company could have managed. They can quickly respond to customers demands and can direct their energies toward seizing market opportunities when time is critical. This demonstrates that people become motivated, act responsibly and do more than expected when they are given freedom to think on their own. (pp55-56).

2.7. Staffs turnover and its implications on organizational cost and instability

Staffs are line function which means they are those who undertake the technical activity. So it is possible to judge how their turn over is costly for the organization. Since their activity is highly structured and planned nature, it requires effective technical system, commitment, stability and exploration.

Research showing those organizations which have superior corporate financial performance is relatively with lower turnover. One reason for the negative financial

impact may be the high cost of turnover. In addition to that there are also undermined efficiencies gained by way of intact internal and external customer relationships (Casico, 2003 pp54).

Though it is difficult to calculate the detailed amount, it is possible to estimate in major categories. The purpose of measuring turnover costs is to improve management decision making. Once turnover figures are known, managers have a sound basis for choosing between current turnover costs and instituting some type of turnover-reduction strategy. (Casico, 2003 pp54). As (Phillips, 1999 pp181) indicated, some organizations cost of turnover is 1-2 times of annually salary. Timing of turnover is also additional variable which mitigate/aggravate the significance level of turnover costs. Say when new employee leaves the organization soon after reaching full productivity, it makes turnover more costly.

2.8 Effects of Staffs Turnover

There is some debate in the literature about how far employers should be concerned about turnover levels. Some writers have emphasized the potentially positive effects of a continuous transfusion of fresh blood into the organization. As cited by Stephen Taylor, Carell et al (1975, pp777) distinguish between functional and dysfunctional turnover, and suggest that the former serves to promote innovative ideas and methods and can thus renew a stagnating organization, while Hom and Girffeth (1995, pp27-30) also draw attention to research that has shown functional turnover to be commoner than the dysfunctional form. The net result is an improvement in productivity as poorer employees quit, leaving a higher proportion of good performers to enhance organizational effectiveness. They also note that high turnover gives employers more opportunity to promote and develop valued staffs and reduces the need to make costly redundancy when there is a downturn in business (Taylor, Stephen, Employee Resourcing, Cromwell Press, Wiltshire, 1998, pp 230-231)

High turnover is probably least worrying in industries employing people in relatively low skilled occupations that nevertheless required high levels of customer service (e.g. fast food restaurants and telesales operations). As cited by Taylor, (Kearns 1994 pp11), this is because the employer wishes to tie together what is, in all likelihood, a short term burst of enthusiasm on the part of the employee. Such a situation has allowed the various brands

of burger restaurant to expand rapidly across the world while coping with annual turnover rates averaging 300 per cent (Ritzer 1996 pp130) (ibid). Despite these points, it is safe to conclude that, for most organizations, turnover in excess of 5-10 per cent has more negative than positive consequences. The more valuable the employees in question, the more damaging the resignation, particularly when they move on to work for a competitor. According to Hom and Griffeth (1995 pp13-27), as cited by Stephen, there are various reasons, aside from the costs directly associated with the resignation, for employers to minimize the numbers of employees leaving. These include productivity losses, impaired quality of service, lost business opportunities, an increased administrative burden and employee demoralization.²⁵ However, it is the direct costs associated with turnovers that have received the most attention from writers on this topic, and organizations strive to reduce the frequency of voluntary resignations from such point of view.

One of the most important questions relating to staffs turnover is at what point does turnover become excessive. For CIPD (2006) there is no such thing as universally applicable target for an ideal turnover rate. According to CIPD (2006)

Where it is relatively easy to find and train new employees quickly and at relatively little cost (i.e. where the labor market is loose), it is possible to sustain high quality levels of service provision despite having a high turnover rate. By contrast, where skills are relatively scarce, where recruitment is costly or where it takes several weeks to fill a vacancy, turnover is likely to be problematic from a management point of view. This is especially true of situations in which you are losing staffs to direct competitors or where customers have developed relationships with individual employees as is the case in many professional services organizations.

Singh et al explained that staff turnover is inevitable and is bound to exist in all industrial units even in those organizations where salary and working conditions are extremely attractive and satisfactory. However high staffs turnover is a serious problem and therefore should be treated carefully. High staffs turnover adversely affect both employer and employees. The following are some of the effects of high staffs turnover on employers and employees incorporating material from a variety of sources. It is clear that some are more readily quantifiable than others: Singh BP, et al , Personnel Management and Industrial Relations, 1994, Dhanpat Rai and Sons, pp 346-348; Taylor, Stephen, Employee Resourcing, Cromwell Press, Wiltshire, 1998 ,pp 231-232; ACAS 2005, Controlling Labor Turnover, www.acas.org.uk

2.8.1 Effects on Employers

1. Direct recruitment costs (advertising, use of agents etc)

Direct recruitment costs includes advertising, search and agency fees, internal referral cost, managerial pre-employment administration, applicants travel costs, recruiters' time, human resource pre-employment administration costs, miscellaneous correspondence, telephone etc. (www.pomsmeetings.org)

2. Recruitment administration (responding to enquiries and sending out application forms, equal opportunities monitoring)

From time management perspective recruitment administration is a major problem that more attention is not given by human resource personnel but it is a major cost concern and has to be studied well.

3. Selection costs (traveling expenses for candidates, psychometric testing, and staffs time in interviewing or running assessment centers, checking references)

Selection costs also include human resource interview, managerial interview, applicants travel costs, background and reference checks, medical, human resource administrative function, and managerial administration. (www.pomsmeetings.org)

4. Development costs (training the new employee using formal and informal development methods, induction training)

Ethiopia expends development cost for training for some of employees to give awareness and to build their managerial skill and technical skill; as observed from the research still some of the employees are not satisfied with the training given by the company claiming that the training is not offered fairly for all staffs.

5. Administrative costs associated with resignations (pay-roll arrangements, calculation of holiday entitlements, pension transfers, conducting exit interviews contract writing, medicals, sending out documentation, issuing uniforms, parking permits, identity badges, and company cars etc, relocation expenses for new starter)

Administrative costs also include exit interviewer, employee exit interview, paper processing, and severance pay. (www.pomsmeetings.org)

6. Inefficiency in production or service provision (resulting from slackness on the part of the designer, inexperience of the replacement employee and inefficiencies resulting from a period in which the vacancy is unfilled)

7. Overtime and costs of hiring temporary workers (during the period between resignation and the hiring of a new member of staffs).
8. The team spirit among the workers is distributed due to high staffs turnover as newly recruited very often.
9. The market reputation of the employer is adversely affected due to high staffs turnover. May not be able to meet customer orders and expectations on timely manner. Although not all of the above cost implications will apply in any one case of voluntary resignation, several are likely to feature in some way. Each element will not in itself necessarily result in a great deal of expenditure, but it is the cumulative effect that gives the business case for attacking turnover its potency.
10. Estimates of the actual cost of turnover vary considerably depending on which of the factors listed above are included in the calculation. The level of the final figure also varies with the nature and content of the job under consideration.

2.8.2 Effects on Workers

1. Due to shifting of employment, a worker has to sacrifice the benefits of his previous service. Such benefits include pension, provident fund, yearly increment, leave and so on. All benefits go once workers give up his stable job.
Employees who leave their jobs voluntarily and involuntarily in some cases do not get the benefits from the company like free flight tickets and free medical services.
2. A worker develops special skills and ability due to long and continuous service in industry. This skill is his personal assets. However, it may become meaningless if the worker leaves the present job and joins a new one.
Employees who accumulate an experience through time in any organization might lose his/her skill if he/she enrolls itself in other businesses.
3. The worker may not be able to adjust on a new job in a new organization. This put tremendous mental pressure on him.
4. A worker who changes his job quite often may be looked upon by others including employers with suspicion.
It is true that for new employees it takes time to acquaint and familiarize themselves with the society of the organization and the environment as well.
5. The work environment changes when a worker shifts from one unit to another. He may find it difficult to adjust to a new environment.

2.9 Components of turnover cost

According to Newman & Hodgetts (1998) one of the primary reasons for developing an effective orientation program is that high turnover rates increase the costs of recruit, screening, and selecting while sharply reducing profit and productivity.

There are a number of different costs that go up when turnover rates are high. Initially five categories were recognized, namely separation costs, recruitment, selection, hiring and lost productivity. Each of these categories was comprise of a number of cost areas that when combined provide a reasonable basis to establish the total cost of staff turnover. (For Staff Turnover Cost Categories please see Table I)

Table I. Turnover Cost Categories

Separation Costs	Recruitment costs	Selection costs	Hiring costs	Loss of productivity costs
*Exit interviewer *.Employee exit interview *.Paper processing *.Severance pay	a. Advertising b. Search and agency fees c. Internal referral cost d. Managerial pre-employment administration e. Applicants travel costs f. Recruiters time g. Human resource pre-employment administration costs h. Miscellaneous correspondence, telephone etc.	*.Human resource interview *.Managerial interview *.Applicants travel costs *.Background and reference checks *.Medical *.Human resource administrant function *.Managerial administration	*.Human resource administration costs *.Managerial administer *.Induction *.Relocation *.Orientation training *.Formal training *.On-the-job training *.Uniforms *.Security *.Information and literature	*.Vacancy costs *.Pre-departure productivity loss *.Learning curve *.Errors and waste *.Supervisory disruption *.Peer disruption

Source: <http://www.pomsmeetings.org/ConfProceedings/001/Papers/PER-02.4.pdf>.

What is particularly interesting about turnover costs is that many organizations fail to evaluate their impact carefully. (ibid)

Cascio (2003 pp51-54) classified the cost elements of turnover in three broad categories. These are separation costs, replacement costs and training costs.

Separation costs: this part of the turnover cost further classified in to four as cost related to exit interviewing; administration costs such as deletion of the employee from payroll, personnel, and benefits files; separation cost and unemployment tax (not applicable in our situation).

The cost of exit interview includes the cost of the interviewer's time (preparation plus actual interview time) and the cost of the terminating employee's time (time required for the interview times weighted average pay rate for all terminated employees). The other is the cost associated with termination process for administrative functions, for example, removal of the employee from payroll, termination of benefits and turn-in of company equipment. The separate pay on the other hand refers to the payment to be made by the employer to the resigned individual in form of severance pay, if applicable.

Replacement costs: There are many cost elements associated with replacing employees such as communicating job availability, pre-employment, administrative function, for example accepting application and checking references, entrance interview or perhaps multiple interviews, testing and/ or other types of assessment procedures, staff meeting to determine whether replacement are needed, to recheck job analysis and job specification, to pool information on candidates and to reach final hiring decisions, travel and moving expense-travel for all applicants and travel plus moving expenses for all new hires, post employment acquisition and dissemination of information- all the activities associated with in processing new employees and medical examination-either performed in-house or contracted out.

One alternative to measuring the historical cost of an employee is to measure the cost of replacing that employee. According to Likert (1967), replacement costs include recruitment, training, and development expenditures together with the income foregone during the training period. (Cascio 1987, p21)

Training cost include three elements: Such cost is incurred to equip the new comer to be acquainted with the work environment, the work itself and socialize him/her. It could take place in two forms i.e. on the job training and off the job training. This cost includes informal literature (employee hand book), instruction in a formal training program, and instruction by employee assignment (on-the-job training) and the time coworkers spend guiding him or her.

Other costs are accidents rates of new employees, loss of production in the internal between separated and the replaced employee, scrap & waste rates, impact on quality of service by new employee until he/she reaches to the desired level of performance and overtime pay may results from and excessive number of separation. Such cots are more of qualitative rather than quantitative.

2.10 Managers responsibility versus staff turnover

People are a major component of any business, the management of people or human resource management is a major part of every manager's job. It is also the specialized responsibility of human resource managers for optimizing all of the resources available to them. Concerning about the management of people, all mangers must undertake the following five activities: staffing, retention, development, adjustment and managing change. Several cause of turnover can be traced to inadequate human resource programs and policies. Having proper program, policy and practice of human resource management is the responsibility of managers to foster the achievement of their goals.

According to Sasso & Groenewege (1985) the need for intelligent management is greater than ever before. The quality of mangers is one of the most important single determining factors for the success of any airline. (pp 233)

An effective leader is an educator. One leads people by helping them set their goals, by communicating widely throughout the group, and by taking initiative in formulating means of achieving the goals, and finally, by inspiring the members of the group to feel strong enough to work hard for those goals. (Sasso & Groenewege pp 239).

2.11 Proactive measures to reduce staff turnover

Human resource management practices and policies determine satisfaction level of employees. Employees want to be satisfied with; their pay, work, coworkers,

environment, management and promotional and advancement opportunities and the like. Another human resource performance factor is organizational commitment. It means the relative strength of an individual's involvement in a particular organization. In order to get the commitment of employees, organizations could design retention strategy.

Many authorities have agreed that the management of human resource is the most difficult and challenging one. (Price, 2004 pp357) Organizations spend monetary and non-monetary costs to acquire the required vacant position. Similarly, they incur costs during the staff turnover as well.

Organizations sustainability depends on how they achieve their objectives. Thus managers would put proactive responses for environmental changes, retain committed and satisfied employee. Accordingly to Cascio (2003 pp54), organizations use different strategies of retaining their staff by way of appointing a retention czar whose job is to help build a supportive culture and commitment, provide realistic job previews and apply merit based reward system.

According to Blau cited in Robbins, high levels of job involvement have been found to be related to fewer absences and lower resignation rates (1986, pp.577-84).

2.12 Labor market issues

Another step towards understanding turnover within an organization is to determine whether retention difficulties are caused by internal or external factors. While the role of labor market conditions in causing turnover may preclude the use of targeted human resource strategies, this information may be useful in analyzing to what extent turnover is due to outside factors. However, although tight labor markets affect an employer's ability to attract and retain staff, looking outwards at the local labor market cannot be a substitute for understanding what is going on within the organization (IDS, 2000).

2.13 Improving employee retention

The first two steps to take when developing an employee retention strategy are to find out:

1. Why employees in hard to recruit groups are leaving
2. What employee turnover among these groups is costing your organization?

Data from exit interviews can be used to develop a cost retention strategy that focuses on particular causes of turnover in your organization. It is worth considering the following elements, all of which have been shown to play a positive role in improving retention: job previews, making line managers accountable, career development and progression, consulting employees, being flexible, job security, treating people fairly, defending your organization, examining your employee selection methods, assessing the current impact of turnover on your organization and carefully screen candidates for the right job fit.

Job previews make the workers to have a better knowledge and know about the work they are involved in, making line managers accountable makes each supervisors aware on their job, consulting employees about the work and about their personal problems, treating people fairly on the job increases productivity. All the mentioned points are very helpful in improving employee retention.

2.14 Terminations

Despite the best efforts of line managers and human resource management professionals, the organization will lose employees. Some will retire, others will depart voluntarily for other jobs, and still others will be forced out through mergers and cutbacks or for poor performance. The value of terminations for maintaining an effective work force is twofold. First, employees who are poor performers can be dismissed. Productive employees often resent disruptive, low-performing employees who are allowed to stay with the company and receive pay and benefits comparable to theirs. Second, employers can use exit interviews. An exit interview is an interview conducted with departing employees to determine why they are leaving. The exit interview is an excellent and inexpensive tool for reducing turnover and for learning about pockets of dissatisfaction within the organization and hence for reducing future turnover (Daft, 1994 pp423-424).

Exit interview are most effective when they are conducted for all departing employees. Retiring employees can use them to reflect on their work experiences within the organization and provide valuable insights for managers. Voluntary departures of valued employees provide good information on the reasons for their leaving. Exit interviews with fired employees can also provide useful feedback. Such employees may feel they were dismissed unfairly or that weaknesses exist in discipline or termination procedures.

Exit interviews can have a positive effect on departing employees, because they demonstrate fair, consistent application of in-house policies and an interest in departing employees. A monthly or quarterly report about the reasons for employee terminations can be summarized and passed on to top managers so they can initiate policy changes for solving human resource problems (Daft 1988, pp360).

According to Rodwell (1985) whether voluntary or involuntary, there should be some standard procedures for termination. The outgoing person may become a vendor, a source of referrals to the business, or may even at some point be rehired. A person who does not fit the company's present needs too well may still have desirable skills in charged circumstances. In all cases, an exit interview is recommended to seek information from the outgoing employee about concern and issues and to provide management with ideas for changes to benefit the remaining staff. The other purpose of exit interviews is to stimulate the maximum self-esteem and positive feeling about the company in the mind of the departing employee. (pp 115)

Table II. Workers Turnover for Fiscal Year 2004/05 - 2008/09

Departments	2004/05	2005/06	2006/07	2007/08	2008/09	Total turnover	Turnover percentage
Marketing	25	23	21	36	47	152	21.4
M&E	13	29	27	47	31	147	20.7
Cabin Crew	18	14	24	39	30	125	17.6
Cockpit crew	11	8	0	5	1	25	3.5
Others (finance, catering, purchasing ...etc)	49	51	39	63	59	261	36.8
Total	116	125	111	190	168	710	100

Source: Ethiopian airlines Five Years Turnover Analysis Report (2004/05-2008/09)

The above table depicts the turnover of Ethiopian exhibited from year 2004/05 to 2008/09; marketing is 152 (21.4%), maintenance and engineering 147 (20.7%), Cabin crew 125 (17.6%), Cockpit crew 25 (3.5%), Finance; catering, purchasing etc those include under others are 261 (36.8 %).

2.15 Reducing the Likelihood of Unwanted Turnover

Some employees, often the best ones, choose to leave an organization because they are unhappy with the way the company manages its employees. A company's training and development practices can help alleviate this problem, changing poor management practices through instructional programs designed to modify the behavior of those who practice ineffective managerial styles. According to Lee et al. in Kleiman pp233 employees can get quite emotional and discouraged if they receive ratings that they perceive as being inaccurate and unfair: poorly conceived appraisal systems cause morale and turnover problems. Most employees believe that rewards such as pay raises and promotions should be given on the basis of merit or past performance. Individuals may become quite upset when some other basis (e.g. favoritism) is used, and they may begin to look elsewhere for employment.

On the other hand, an effective appraisal system can help employers retain their employees, especially the best ones; because such employees desire to work in an atmosphere they perceive as being fair, progressive, and dynamic, and an effective performance appraisal system fosters this perception.

2.16 Retention strategies

The academic literature (Dalton et al cited in Abelson, 1987) suggests that differentiating avoidable and unavoidable turnover (from the organization's point of view) can help organizations to understand voluntary turnover more fully. Avoidable reasons include employees leaving to find better pay or working conditions elsewhere, problems with management or leaving for better career opportunities. Unavoidable reasons-which are beyond the organization's control- include, for example, an employee having to move because of relocation by a spouse or leaving to fulfill family or caring responsibilities.

If an organization can identify that much of its voluntary turnover is unavoidable it may profit better from initiatives that seek to manage turnover after the event rather than expend resources on implementing preventive measures. On the other hand, if the bulk of turnover is avoidable this offers the potential for targeted intervention. However, if managers assume the turnover problem to be largely unavoidable, they may fail to recognize turnover as a symptom of underlying problems within the organization.

IDS (2004) suggest that where there is a general turnover problem within the organization, companies often takes a holistic approach aimed at fully engaging with staff. This may encompass a wide range of measures such as:

1. Keeping pay in line with appropriate market rates
To reduce turnover and maintain the work force in any organization companies have to revise their benefits and compensation system they give to their staffs.
2. Offering and attractive employee benefits package
Benefits like housing, transportation, education, training and other benefit packages have to be offered to employees in a better way.
3. Creating a pleasant working environment
Production increases when employees are pleasant and like their work place; if the bosses approach their workers friendly and amicably employees stay in their organization.
4. Communicating and consulting effectively with employees
5. Improving recruitment procedures to ensure candidates receive a realistic impression of the company and the job
6. Supporting new recruits during the critical first few weeks in the job
New recruits should be familiarized with the job and the environment, people has to be assigned that helps them.
7. Providing clear career paths, interesting work and support for personal development
8. Considering work-life balance issues

2.17 Current human resource situation in Ethiopian Airlines

Faced with unprecedented growth of globalization Ethiopia has made a decision to become an organization that adapts to the constantly changing business environment and succeed in the areas in which it chooses to compete. It has finalized a repositioning consulting study to examine its corporate strategy and business operations

In order to develop the human resource management strategy, environment both internal and external has to be critically and objectively analyzed with its impact and its trends so that we can develop a workable strategy.

2.17.1 External/Far environment

In this analysis we considered the environment in which Ethiopia is operating. These are the environments in which Ethiopia does not have any control or influence. The STEP (Sociological, Technological, Economical and Political) factors are used to analyze the external environment that affects Ethiopia's human resource management.

The increasing demand of the regulatory bodies on operators increases the training of staffs which forces airlines to take out a number of employees from the operation. However if Ethiopia fulfill these regulatory requirement it will also give Ethiopia an opportunity to provided a world class service which gives ET better positions in the market and pave a path for partnership with its strategic groups.

Table III STEP (Sociological, Technological, Economical and Political) factors that are used to analyze the external environment that affects Ethiopia's human resource management

Sociological Factors	Technological Factors	Economical Factor	Political Factors
*The value of Aviation professionals is changing due to the impact of globalization. Today employees can easily benchmark themselves with their counterparts' in the international market and look for better pay/life. This trend has started affecting Ethiopia and is causing loss of large number of core competent work force at the time. Given the continuous globalization phenomena, the labor mobility is expected to continue. *The last three year's turnover analysis report shows that about 92% of the resigned employees served Ethiopia for less than 15 years only. *The social recognition Ethiopia has in the country gives it the opportunity to attract potential talents easily. However the challenge remains to being able to keep these talents. *The review of turnover analysis done for the period July 2005-June 2008 shows that almost 29% of the total designees have only 0-5 years of service in Ethiopia. This shows, significant number of them joined Ethiopia as a stepping stone to leave to a foreign land.	*The technological advancement of the new equipments demands Ethiopia to look for easily trainable human resources basically for core competencies such as pilots, technicians and cabin crew. Moreover, it calls for upgrading of the existing staff in these areas. However, this technological advancement gives an opportunity for better operational process and efficiency given the right type of manpower is prepared. *The advancement of e-business enables Ethiopia to expand its sales outlet with less human resources. *E-learning will give Ethiopia a chance to enhance the training and development program with reduced disruption to its operation and less cost. *The advancement of e-communication gave opportunity to our competitors to have easy personal access to our core competent staff which increases the potential attrition rate.	*The high fuel price and its increasing trend will affect the cost structure of Ethiopia which will significantly affect the human resource management functions such as training and development, compensation, benefits, recruitment to the extent of layoff. *The hyper inflation growth forces the employees to demand more compensation and affect their productivity due to stress emanated from high cost of living in their life.	*The existing tight labor proclamation will not enable Ethiopia to hire and fire as the operation requires.

Source: Ethiopian airlines Five Years Turnover Analysis Report (2004/05-2008/09)

2.17. 2. Internal Analysis

In order to have a clear internal analysis of an organization it will be essential to make assessment or audit of all internal resources i.e. tangible and intangible. This document however focuses on the key internal intangible resource (i.e.) the Human Resources in an effort to develop human resource strategy.

The relevant characteristics of human resources of an organization are:-

1. The education, training and experiences of employees which determine the skills available to the firm.
2. The adaptability of employees which contributes to the strategic flexibility of the firm.
3. The social and collaborative skills of employees that determine the capacity of the firm to transform human resources into organizational capabilities.
4. The commitment and loyalty of employees that determine the capacity of the firm to attain and maintain competitive advantage.

While evaluating the above characteristics, the key indicators are:-

1. Educational, technical and professional qualifications of employees.
2. Compensation relative to industry.
3. Percentage of days lost through stoppages and industrial disputes.
4. Absentee rates and
5. Employee turnover rate

When we see the existing competition with regard to human resources it is mainly on qualified and experienced professionals, as many companies in the industry want to substantially reduce their training and development cost. They want to get a readymade person who can be productive from the first day. Ethiopian on the other hand trains and develops its staff from aviation into to the highest professional ability; this gives our competitors the opportunity to take our qualified and experienced professionals just by giving a better and competitive offer.

The inability of Ethiopian to compete and retain its qualified and experienced core staffs puts it on the disadvantage side. This is creating significant skill gap on our core competencies. (Ethiopian airlines Five Years Turnover Analysis Report (2004/05-2008/09))

The aircraft technician's service year distribution shows Ethiopian loses the skilled human resource after 10 years of service but managed to retain technicians with above 15 years of service. This is due to the fact that the number of pilots as of June 2008 which includes 10 retired captains is further classified by aircraft type, position and service year.

- The cabin crew service year distribution shows that most of the cabin crews leave the company before 5 years of service. This shows that these groups join Ethiopian as a stepping stone for leaving the country. However, Ethiopian has a good number of cabin crews who have served more than 15 years. This scenario helps to coach and train the continuously changing new entrants to the required standard using senior staff.
- The Marketing staff's service year distribution shows most of the employees leave the company before 10 years of service. Most of these employees also join Ethiopian as a transit to other opportunities. The fact that there aren't many employees that worked more than 10 years is an area of concern for marketing quality of service delivery.
- The management staff service year distribution shows that more and more employees with less years of service are coming to leadership/supervisory positions. As Ethiopian has a great number of Management staff who has served for more than 10 years, there is a good potential for coaching, knowledge transfer and development of future managers/leaders.

Employees need survey conducted on July 2007 gives some insight on why some of these employees leave Ethiopian. According to this survey, some of the dissatisfaction areas identified are; low compensation and benefit package and lack of leadership competency.

Table IV. Employees Need Survey Result (2007)

No	Factors	Number of Responses	Percentage
1	Compensation Benefits Package	263	50.68%
2	Leadership Competency	203	39.11%
3	Working Condition	53	10.21%
Total		519	100%

Source: Ethiopian airlines Five Years (2008/09-2012/13) Human Resource Strategy

Generally communication within the organization, both vertical and horizontal, is weak which caused lack of belongings, shared vision, teamwork and commitment.

2.18 Strategic Objectives

Based on the above background information and SWOT analysis the company has formulated the following major human resource strategic objectives:-

- Maintain adequate number of qualified key professionals with 5% reserve by 2012.
- Endeavor to supply key professionals on secondment basis to partner African carriers and to the Middle East Carriers.
- Provide qualified Leaders for developing African carriers by 2013
- Endeavour to secure employee commitment & belongingness.
- Develop a culture of strong customer service attitude
- Make our values visible to our customers by 2012 through our employees.
- Have a lean and flexible organization that ensures employees' empowerment by the year 2012.
- Endeavor to have cost effective human resource process by the year 2013.

2.19 Retention & Development

Another area of concern based on the analysis is retention and development. In this area of knowledge management, an organization has to be fully aware of the requirements and resources available to manage talent.

According to Ethiopian airlines Five Years (2008/09-2012/13) Human Resource Strategy capacity building and succession planning are major areas of business continuity issues identified as a gap in the analysis. A clear and consistent approach is required to achieve success. In these regards Ethiopian will:

1. Strengthen the leadership development program and align it with succession planning:

The company give trainings like supervisory development courses (SDC), management development courses (MDC) etc. to fill the gap of management positions.

2. Empower line/business managers for HR functions:

Short term trainings empower and capacitate managers that have a contribution in productivity and improve their social skills.

3. Design a system for free movement of talent across organization

Since the operation of the company is huge there are many departments in line with the operation therefore this gives access for employees to move easily from department to department.

4. Improve working environment

At the company level or department level working environment could be improved. If bosses have human relation skill they could change positively the working environment.

5. One major area of concern for employees of average income is housing. Ethiopian will be working to assuring the employee housing project is implemented in a way it addresses the employees' issues and also helps the organization as a retention tool to keep our core competencies at home.

2.20 Organizational Culture

Ethiopian enjoyed employee belongingness and commitment for a long time but the deterioration of this culture is being more publicized in most informal channels. This calls for conscious and concerted effort to regain it. Thus all efforts will be made by way of using structured communication at all level including the senior management and social gatherings and events.

Employee belongingness and commitment is the area where an organization can achieve competitiveness. This area is identified as strength for Ethiopian. However, the trend of people leaving the company shows that a lot has to be done to address the organizational issues that are creating this turnover. In this regard Ethiopian will work on the following areas:-

A. Employee Relation

1. Create an environment of social gathering

Social gathering is exercised by departments at least once in a year. Each department make a get together and relax with its staffs, this creates a friendly atmosphere in the work place and enhances productivity.

2. Enforce the policy on conduct of regular crew meeting

Crew meeting takes place in each department every month; this gives a chance for employees to discuss on current issues and problems.

3. Encourage 360⁰ communication

Communication is one of the main problems addressed by respondents. Effective communication is an instrument that creates understanding between peer groups and bosses as well; therefore encouraging effective communication is a means to retain employees in the organization.

4. Partnership with unions and professional association

B. Reward system:

As stated in the above analysis, employees expect recognition and award for their good performance. In this regard Ethiopian will:

1. Aim to achieve competitive, fair and equitable salary package:

Employees aspire to go the upper ladder for this they try to work hard and be competitive; for this fair and equitable salary package has to be studied and designed.

2. Attractive incentive scheme to reward good performance:

As reward system differs the company has to be selective which reward will satisfy and retain the employee from leaving the company.

3. Study and introduce back-end long term benefits to reward long service:

2.21 Strategy

Following the above strategic issues emanated from the internal and external environment analysis of Ethiopian airlines Five Years (2008/09-2012/13) Human Resource Strategy, this HR strategy is developed:

2. 21.1 Ethiopian's Human Resource Vision

“Become employer of choice, boundary-less and high performance organization with well trained motivated and focused human capital”

2.21.2. Ethiopian's Human Resource Mission Statement

To enable ET achieve its corporate objectives by attracting, developing, motivating and retaining performance focused human capital at all times.

2.21.3 Ethiopian's Human Resource Value Statements

Human Resource Management is committed to support the mission of the airline by becoming the primary employer of choice at all job levels who share our values of :-

- Integrity, respect, trust, team work, and fun

- Consistency, fairness and equity in all human resource activities
- Transparency and empowerment at all level
- Safety, caring, security and satisfaction of customers
- Treating employees as customers not as a motto but as a belief
- Being a learning organization with a continuous quality improvement, innovation and knowledge sharing.
- An equal opportunity employer
- Rewarding employees for their performance

This shall be accomplished through fostering and supporting a diverse work environment which attract and retains competent employees.

Human resource management shall provide energetic and proactive leadership and guidance to managers in addressing human resource concerns. Human resource management should also be responsive to the needs of the many internal constituencies served while maintaining a unified identity of Ethiopian as employer of choice.

Human resource management aspires to be nationally recognized for its contribution to a positive and innovative work environment for all employees.

2.21.4 Compensation and Benefits

According to Ethiopian airlines Five Years (2008/09-2012/13) Human Resource Strategy, the compensation and benefits strategy shows:

1. Ensure that Ethiopia's compensation and benefit package is always current and competitive in the market and to the industry. This will assist Ethiopia to reduce the turn over rate on key positions.

This will be a good solution for the problem addressed by the employees in the research paper.

2. Jobs are continuously evaluated to set or revise base pay in line with required skills, accountability and experience.

Key performance indicator (KPI) and business score card (BSC) are key measures of performance, therefore the company has to do more on this area.

3. Ensure that Ethiopia's salary and benefits packages can attract and keep the best and the brightest in the next three years.

Salary and benefit packages were the most important concern as indicated on the research paper.

4. Facilitate that employees manage to own their house by attracting potential investor; - Currently this project is started and it is functional.
5. Encourage employees to have a balance family and work life by providing family inclusive activities/facilities.
6. Design specific and flexible benefit package to cater to employees needs.
As the status and profession of employees differ the benefit packages have to be flexible in accordance to the need of these employees.
7. Design attractive incentive scheme to reward good performance
Attractive incentive scheme helps to retain employees that go to competitive airlines.
8. Study and introduce back-end long term benefits to reward long services.

2.21.5 Retention and Development

- Assure that Ethiopia is indeed a learning organization from experience and also by giving necessary training proactively and in a planned manner. Leadership development, professional development, personal development assistance and MBA are strategic focuses.
- Human resource management will create opportunities within the organization to achieve its objectives of developing professionalism. The encouragement of professional licensing and certification allowance will be continued in a renewed manner.
- Cultivate fairness and transparency where all Ethiopia staffs feel fairly treated in all aspects. Policies and procedures should be transparent enough to ensure fairness.

2.21.6 Exit Management

Exit will be managed properly. Once employee has decided to leave the company, exit interview should be conducted by his immediate supervisor basically for key competencies. In the case of management position incumbent, an exit interview should be carried out in the presence of human resource representative.

The exit interview format/questioner will be placed on the company's website to be accessible for resignees without notice. The purpose of exit interview will be to get feedback and to work on areas where improvement is needed.

2. 22 People & Culture

2.22.1 Needs and Aspirations

Annual survey will be conducted to identify employees' need and design a strategy to address these needs and aspirations.

2.22.2 Personal Development

- To ensure the availability of qualified human resource, human resource management will continue to encourage employees to upgrade their knowledge through educational assistance program, professional development such as certification programs and succession planning program.
- ET will also support various individual learning opportunities.

2.22.3 Communication

According to Ethiopian airlines Five Years (2008/09-2012/13) Human Resource Strategy, the communication strategy shows:

1. Deploy a communication mechanism so that both management and employees keep sharing information with each other i.e. top down as well as bottom up.
Clear communication creates understanding and develops faith between work groups. Lack of communication creates unstable condition in the work environment and develops miscommunication and makes people suspicious.
2. Create an environment that is responsive to gender and diversity issues.
Since gender and diversity issues are crucial ones they have to be maintained in a manageable way.
3. Encourage departmental and divisional get together
The main purpose of a get together is to create friendly and good relationship between employees, therefore the company has to appreciate and motivate departments by budgeting sufficient cash for this purpose.
4. Both positive and negative feed backs should be given to employees on timely basis.

Lessons could be learned from both positive and negative feed backs; therefore both scenarios should be managed in equal balance.

5. Given the ever changing technological environment it should be human resource management's strategy to tune its working process and communication in line with automation at all level.
6. Conduct leadership style survey twice a year and communicate with management output.
7. Revitalize the current crew meeting and assure its effective implementation at all levels.
8. Union and association are the major partners of the organization in achieving its objectives. Therefore, human resource management will work together with such organization by way of developing the company.

2.23 SWOT analysis of Ethiopian

Table V. Strength, Weakness, Opportunity and Treat of Ethiopian

Strengths	Weakness	Opportunity	Threats
*Self sufficiency in all aviation expertise right from the inception *Training infrastructures *76% of the work force is energetic (<45 years of age) and willing to take challenges. *Preferred employer in the nation *Improved labor management relation *Employees' devotion to the airline *Long years of experience in the industry and own training centers	* Gap in middle management *Ineffective recruitment process * High turnover of skilled/licensed professionals *Low pay compared to industry for key professionals *Lack of developed strategies on human resource management *Ineffective performance management system *Lack of appropriate knowledge transfer *Working culture and image deterioration	*Abundant supply of trainable labor pool *Strong government support *Technological support for fast training *The potential to be a source of skilled airline experts for the region	*Global competition for Ethiopian's key competent professionals *Employees' ability/opportunity to compete in the global labor market *The increase in fuel price *Hyper inflation *Tight labor proclamation

Source: Ethiopian airlines Five Years (2008/09-2012/13) Human Resource Strategy

2.3 COMPANY PROFILE

2.3.1 Historical background of Ethiopian Airlines

Ethiopian first established by proclamation as Government Corporation to be known as Ethiopian Air Lines, Incorporated. It was organized to engage in commercial air transportation. (General notice No. 59 of 1945). ET is founded on December 21, 1945 and started its operation on April 08, 1946 making its first scheduled flight to Cairo via Asmara in Douglas C-47 Skytrain and again established by legal notice No. 79 of 1983 as a corporation governed by the public enterprises having its legal personality and finally established as a public enterprise governed by the public enterprises proclamation No. 25/1992.

Ownership: Government of Ethiopia (100%)

Code share Partners: Ethiopian has code share agreements with: South African Airways, Lufthansa, TAAG-Angola Airlines, Gulf Air, Air One, Brussels Airlines, British Midland (BMI), Rwanda Air, Saudi Arabian Airways, Several other agreements are in the pipeline

Strategic Partnership: Ethiopian Signed Memorandum of Understanding with ASKY Airline on Strategic Partnership and Investment. ASKY Airline is a newly established airline based in Lome-Togo.

2.3.2 Personnel Secondment

Ethiopian provides management and technical assistance to other airlines on secondment basis by availing trained and skilled manpower in different areas relative to the airline industry.

2.4 The Vision, Mission and Values of Ethiopian Airlines.

Vision

- To achieve market leadership by 2010 as a World Class African Airline.

Mission

- To create value to our customers and stakeholders by providing safe and reliable passenger and cargo air transport service.

- To provide aircraft maintenance, training and other aviation-related services.
- To become a market leader as a World Class African Airline.
- To invest in the latest aviation technology and a highly trained and motivated human resource.
- To play a visible role in the development of trade and tourism in Ethiopia and Africa.

Values

- We demonstrate integrity, honesty and teamwork in everything we do.
- We place the safety, security and satisfaction of our customers as our first priority.
- We are a learning organization with continuous improvement, innovation and knowledge-sharing.
- We recognize and reward employees for their performance.
- We are an equal opportunity employer.

CHAPTER THREE

3.1 Methodology and Research Design

3.1.1 Research Design

This part of the study deals with the type of research method, data collection tools and techniques used, the source of data, methods of sampling and sample size. Generally, it shows the design and methodology used for undertaking the research.

The main purpose of this study was to examine the status of staff turnover in Ethiopian. It also aimed to suggest some possible intervention strategies that can be used to decrease staff turnover. To serve this purpose descriptive survey research method was employed with the assumption that it could help to identify the causes of turnover. Best and Kahan (1998) has confirmed the relevance of this method for such purpose. One important use of descriptive statistics is to summarize a collection of data in a clear and understandable way and also it used to present quantitative descriptions in a manageable form. Thus, this approach enabled the researcher to examine the prevailing constraints that need to be alleviated.

3.1.2 Sample population and sampling technique

The human resource information of Ethiopian show staffing is categorized into two: core professionals and support staffs. Core professionals include marketing (agents and officers), Cockpit crew (all pilots and chief pilots), Cabin crew (all hostess and supervisors and lead), maintenance and engineering (engineers and aircraft technicians). Supporting staffs include finance, HRM, Catering, medical unit, IT, etc.

Of these divisions five were taken as a sample. Even though purchasing is under maintenance and engineering department for the research purpose it is entertained independently. These divisions were selected using purposive sampling technique as a study area, because the Ethiopian airlines Five Years Turnover Analysis Report (2004/05-2008/09) shows the highest turnover is from these divisions. Of the core professional divisions' maintenance & engineering, purchasing and marketing and from supporting divisions finance, and flight catering were selected as a purposive sampling.

With regard to respondents' of core professionals, 366 staffs were selected from maintenance & engineering using random sampling and out of these 175 of the respondents filled the questionnaires; since all the respondents have equal chance of probability random sampling is selected; random sampling also minimizes bias and simplifies analysis of result, 59 staffs were selected from marketing using the availability sampling technique and 40 of them filled and returned the questionnaire distributed to them; and 41 staffs were selected from purchasing using random sampling and all 41 were filled and returned the questionnaire.

With regard to supporting staffs, 54 staffs were selected from finance using random sampling and 44 questionnaires were filled and returned; and 77 staffs were selected from flight catering using random sampling and 40 questionnaires were filled and returned. With regard to terminated staffs 25 questionnaires were distributed to respondents' and only 20 questionnaires were filled and returned back.

3.1.3 Data collection instruments

The data for the study were obtained from both primary and secondary sources. The primary sources of data were gathered through questionnaires and observations. Three types of questionnaires were analyzed and interpreted. As stated before, to maximize the diversity of the ideas and attitudes, three types of questionnaires were distributed to the terminated, existing and management staffs. Availability sampling method was used for terminated and management staffs of the organization based on the availability and reachness of the respondents.

As secondary sources, relevant literatures were thoroughly reviewed to acquire adequate information. Moreover, various available documents which constitute guidelines regulations and directives of the company were reviewed to acquire the background information about the issue under the study. Relevant data were collected from the organization's five years strategy document, moreover, different literatures about staff turnover, staffs retention mechanisms, and other human resource management books, websites (internet) and other available sources was referred and cited in the research to assess the impact of staff turnover in Ethiopian airlines and to provide possible recommendations.

3.1.4 Methods of data analysis

After having done the collection of data through questionnaires, and observation based on the available data the process of tabulation were carried out. The items were first classified into different tables according to the nature of issues raised in questionnaires and each of them were analyzed and interpreted.

The data gathered through questionnaires have been analyzed using the quantitative method. For these descriptive statistical measures the percentage method was utilized due to its nature.

Finally, a conclusion has been drawn from the major findings and based on that possible solution and recommendations to the identified problems as been forwarded.

Percentage statistical method is used to explain the respondents' to show the disparity in responses among different group of respondents. This statistical method is more strengthened by triangulation, i.e. by the responses collected from the three categories of respondents. Triangulation was used to see whether the three responses were identical and consistent or not. The responses obtained from questionnaires were tabulated, interpreted and analyzed. The interpretation, analysis and discussion were based on the results obtained and literature guide.

3.1.5 Pilot Study

After the questionnaires were prepared it was pilot tested. The pilot test was done on 19 existing staffs. The purpose of this test was to check the appropriateness of the questionnaire items and to make necessary corrections based on the feedback obtained. Accordingly, amendments were made for the relevance and quality of some of the items and some ambiguous words were avoided from the items.

CHAPTER FOUR

This chapter deals with the analysis and interpretation of data collected from questionnaires: terminated staffs, non-management staffs and management staffs.

4.1 Data presentation and analysis of data

Table VI. Sex, Age, Marital Status and Educational Qualification of the Respondents

Item	Description	Management Staffs		Existing staffs		Terminated Staffs		Total	
		frequency	%	frequency	%	frequency	%	frequency	%
1	Sex								
	Male	64	93	188	69.4	12	60	264	73.3
	Female	5	7	63	23.2	8	40	76	21.1
	No answer	--	--	20	7.4	--	--	20	5.6
	Total	69	100	271	100	20	100	360	100
2	Age								
	18-25	--	--	71	26.2	2	10.0	73	20.3
	26-35	5	7.2	120	44.3	14	70.0	139	38.6
	36-40	20	29.0	52	19.2	4	20.0	76	21.1
	Above 40	44	63.8	16	5.9	--	--	60	16.7
	No answer	--	--	12	4.4	--	--	12	3.3
	Total	69	100	271	100	20	100	360	100
3	Marital status								
	Single	10	14.3	165	60.9	6	30	181	50.3
	Married	53	75.7	106	39.1	14	70	173	48.1
	No answer	6	10.0	--	--	--	--	6	1.6
	Total	69	100	271	100	20	100	360	100
4	Educational qualification								
	Certificate	5	7.2	17	6.3	--	--	22	6.1
	Diploma	16	23.2	69	25.5	9	45	94	26.1
	BA	36	52.2	170	62.7	11	55	217	60.3
	MA	4	5.8	7	2.5	--	--	11	3.1
	PhD	--	--	--	--	--	--	--	--
	No answer	8	11.6	8	3.0			16	4.4
	Total	69	100	271	100	20	100	360	100

Table VI shows sex, age marital status and educational qualification of the respondents. As shown on the table1 there were a total of 360 respondents; 20 terminated staffs, 271 existing staffs and 69 management staffs.

As shown on table VI out of the total 360 respondents, 264 (73.3%) and 76 (21.1%) are males and females respectively; of 360 respondents 20 (5.6%) were not filled their sex.

What one concludes from this is the more the number of the male the more the probability of the turnover tends to the male sex and the less to the female sex. With regard to age 73 (20.3%) of them were between 18-25 years, 139 (38.6%) are between 26-35 years, 76 (21.1%) are between 36-40 years, 60 (16.7%) are above 40 years old and 12 (3.3%) respondents do not fill their age. What we observe from this is majority of the work force 80.0% is < 40 years old and this is energetic force for the company.

At it was indicated SWOT analysis of Ethiopian in Ethiopian airlines Five Years (2008/09-2012/13) Human Resource Strategy one of the strength of the company is the age of the company's employee is, 45. It is true that only 60 (16.7%) are above 40 years old. This majority of work force is energetic and willing to take challenges as HRM bulletin showed.

Concerning the marital status 181 (50.3%) of the employees are single and 173 (48.1%) are married and 6 (1.6%) of the respondents did not fill their marital status. With regard to educational qualification of the respondents 22 (6.1%) are at certificate level, 94 (26.1%) are at diploma level, 217 (60.3%) are first degree holders 11 (3.1%) are second degree holders and 0% is PhD holders and 16 (4.4%) did not respond. Since the majority of the respondents are first degree holders they could have the opportunity to search for a better job because they are qualified and could be competitive as well.

Table VII. Work experience, Department, and Job position of the respondents

Item	Description	Management Staffs		Existing staffs		Terminated Staffs		Total	
		frequen cy	%	frequen cy	%	frequen cy	%	frequen cy	%
1	Work experience								
	5 & under	--	--	115	42.4	9	40	124	34.4
	6-10	12	17.4	92	33.9	11	60	115	31.9
	11-15	14	20.3	31	11.4	--	--	45	12.5
	>15	40	58.0	17	6.3	--	--	57	15.8
	No answer	3	4.3	16	6.0	--	--	19	5.4
	Total	69	100	271	100	20	100	360	100
2	Department								
	M & E	25	36.2	96	35.4	--	--	121	33.6
	Marketing agent	5	7.3	19	7.0	11	55	35	9.7
	Flight catering	8	11.6	46	17.0	3	15	57	15.8
	Purchasing	23	33.3	33	12.2	4	20	60	16.7
	Finance	8	11.6	77	28.4	2	10	87	24.2
	Total	69	100	271	100	20	100	360	100
3	Position								
	Line staffs	--	--	271	100	15	75	286	79.5
	Supervisors	43	62.3	--	--	5	25	48	13.3
	Manager	18	26.1	--	--	--	--	18	5.0
	Director	3	4.3	--	--	--	--	3	.8
	No answer	5	7.3					5	1.4
	Total	69	100	271	100	20	100	360	100

Table VII shows the respondents' general characteristics about work experience, department and their position in Ethiopian airlines.

Concerning work experience 124 (34.4%) are worked 5 years and below, 115 (31.9%) have an experience between 6-10 years, 45 (12.5%) have an experience of year 11-15 and 57 (15.8%) have an experience of more than 15 years and 19 (5.4%) did not respond. The majority of workers have work experience from 5 years to 10 years; this work force might use the free tickets as a means to go freely anywhere they want to be employed, this indicate attention to be given to such type of workers to maintain them at the company with the maximum effort. With regard to their department 60 (16.7%) are belong to purchasing, 35 (9.7%) from marketing agents, 87 (24.2%) from finance, 121 (33.6%) from maintenance and engineering and 57 (15.8%) from flight catering. Concerning position 286 (79.5%) are line staffs, 48 (13.3%) are supervisors, 18 (5.0%) are managers and 3 (.8%) is directors; and 5 (1.4%) of the respondents did not fill the questionnaire.

I. Responses of Management staffs

Table VIII. Management Staffs Response about Themselves

Item	Description	Management Staffs	
		frequency	%
1	How did you get your current positions?		
	Initial employment	--	--
	By promotion	46	66.7
	Other/Assignment/	16	23.2
	No answer	7	10.1
	Total	69	100
2	How do you rate your own leadership skill?		
	Excellent	5	7.2
	Very good	40	58.0
	Good	18	26.1
	Fair	--	--
	No answer	6	8.7
	Total	69	100
3	Did you have human resource management practice before joining Ethiopian airlines?		
	Yes	10	14.5
	No	59	85.5
	Total	69	100
4	Did you take human resource management training after joining Ethiopian airlines?		
	Yes	50	72.5
	No	16	23.2
	No answer	3	4.3
	Total	69	100

As indicated in table VIII item 1 the current position of management staffs 46 (66.7%) is held by promotion and 16 (23.2%) is held by assignment and 7 (10.1%) did not respond. According to Deverell (1968:162) some of the organizational factors or personal factors or conditions that cause employees to leave their jobs are inadequate selection and assignment method may cause unrest and dissatisfaction among employees. Therefore even if the percentage of assignment is 23.2% it is open to criticism and creates dissatisfaction among employees; and also according to Deverell lack of opportunity for advancement through seniority or other wise may result in dissatisfaction that simmers in an employees' mind until he/she finally quits.

As indicated in table VIII item 2, 5 (7.2%) of management staffs rated themselves as their leadership skills is excellent, 40 (58%) is very good and 18 (26.1%) is good and 6 (8.7%)

did not respond. This clearly indicates that almost all rate themselves as their leadership skill is positive and encouraging.

On having human resource management practice before joining Ethiopian airlines as they responded in table VIII item3 10 (14.5%) have an experience of HRM practice before they join Ethiopian and 59 (85.5%) of them did not have any experience. And also as indicated in table VIII item 4, 50 (72.5%) have HRM training after they joined Ethiopian and 16 (23.2%) do not take any training and 3 (4.3%) do not respond.

The 14.5% who had HRM practice before thy join Ethiopian enrolled to the company with new blood and management experience. On the contrary 23.2% of the management members did not take HRM training after they joined Ethiopian. As management is a dynamic process management staffs should take training to cope up themselves with the ever changing technology and new entrants of ideas.

As mentioned on Ethiopian vision, mission and value of Ethiopian, one of the missions of the company is to invest in a highly trained and motivated human resource. Therefore even though what so far done on training for management groups after they join Ethiopian is encouraging much and more have to be done.

Table IX. Management Response on the Relationship among Staffs

Item	Description	Management Staffs	
		Number	%
1	How do you judge the work load of your subordinates in terms of the normal working hour?		
	Normal	27	39.1
	Beyond capacity	37	53.6
	Under capacity	--	--
	No answer	5	7.2
	Total	69	100
2	What do you think about the working condition of the company?		
	Excellent	3	4.3
	Very good	18	26.1
	Good	30	43.5
	Fair	10	14.5
	Bad	2	2.9
	No answer	6	8.7
	Total	69	100
3	How do you rate the relationship between bosses and subordinates?		
	Excellent	3	4.3
	Very good	20	29.0
	Good	34	49.3
	Fair	6	8.7
	Bad	--	--
	No answer	6	8.7
	Total	69	100
4	How do you rate your relationship with your subordinates?		
	Excellent	9	13
	Very good	42	61
	Good	16	23
	Fair	2	3
	Bad	--	--
	Total	69	100

As indicated in table IX item 1 managers' judge 27 (39.1%) of the work load of their subordinates in terms of the normal working hours is normal and 37 (53.6%) of them judge it is beyond capacity and 5 (7.2%) did not respond.

According to Dijkstra, Eelco (Dec. 2008) one of the predictors of high turn over is dissatisfaction of employees with the job-scope. As indicated above if the 37 (53.6%) of work load is beyond capacity the door is open for employees to leave their organization and forced to search a better job that relax them.

And also as shown in table IX item 2 the view of management members on the working condition of the company 3 (4.3%) of the respondents respond it is excellent, 18 (26.1%) respond it is very good, 30 (43.5%) believe that is good, 10 (14.5%) respond as it is fair and 2 (2.9%) believe that is bad and 6 (8.7%) did not respond.

One can conclude from the above observation that if 17.4% the fair and bad altogether are believed by managers it is not a good position its impact on turnover is high, because if management team believes that 18% is total not a good percentage this shows they do not have a capacity to change this to a good environment of working area.

According to Deverell (1968 pp162) lack of proper facilities and appropriate serves, such as adequate employee changing rooms, dining areas, breaks, selective health benefits other health and safety provisions are major cause of turnover and absenteeism.

As shown on table IX item 3 rating the relationship between bosses and subordinates 3 (4.3%) of responded it is excellent, 20 (29%) is very good, 34 (49.3%) is good and 6 (8.7%) is fair and 6 (8.7%) did not respond. 🍷

As shown on table IX item 4, 9 (13%) responded it is excellent, 42 (61%) responded it is very good, 16 (23%) responded it is good and 2 (3%) responded it is fair.

Here what we observe from table IX item 3 and item 4 is that when bosses rate themselves and rate the relationship of bosses and subordinates it is totally different. What most responded is individual attachment or relation with subordinates is generally better than rating others.

Table X. Management Staffs Response on Reasons of Termination of Employees

Item	Description	Management Staffs	
		Number	%
1	Do you feel that turnover of the skilled labor in the company is a serious problem?	50	72.5
	Yes	3	4.3
	No	10	14.5
	I do not know	6	8.7
	No answer	69	100
	Total		
2	What is your view about the intensity of turnover?	33	47.9
	High	13	18.8
	Moderate	10	14.5
	Low	7	10.1
	I do not know	6	8.7
	No answer	69	100
	Total		
3	Did you make any exit interview when employees leave the company?	30	43.5
	Yes	39	56.5
	No	69	100
	Total		
4	If your answer is No why you did not make an exit interview?	5	12.8
	Interview conducted at HRM	20	51.3
	Employees are not interested	6	15.4
	Interviewing is time taking	8	20.5
	No answer	39	100
	Total		
5	Do you feel that there exists equal opportunity of promotion for all staffs?	30	43.5
	Yes	24	34.8
	No	15	21.7
	I do not know	69	100
	Total		
6	Do you feel that staffs of this company earn adequate financial compensation to meet their need when compared to other airlines companies?	6	8.7
	Yes	63	91.3
	No	69	100
	Total		

As indicated in table X item 1, 50 (72.5%) of management staffs believe that turnover of the skilled labor in the company is a serious problem and 3 (4.3%) of the respondents believe that it is not a serious problem, 10 (14.5%) do not know about it and 6 (8.7%) did not respond.

And as shown in the table X item 2, 33 (47.9%) of the respondents believe the intensity of turnover is high and 13 (18.8%) is moderate, 10 (14.5%) is low, 7 (10.1%) do not know and 6 (8.7%) did not answer.

According to Tewodros Tamrat (cited in Aviation & allied business journal Dec.2009-Jan. 2010) brain drain in the aviation industry in Africa is part of the bigger global phenomena of brain drain that has caused havoc in many developing countries and across a whole range of social and economic sectors and industries. According to this writer brain drain in the aviation industry in Africa is greatly accelerated in recent years by the high and rapid growth of air transport globally and particularly in Asia and the Middle East.

The deliberate policy of some major Middle Eastern carriers not to train professionals but instead rely on sourcing from other airlines through poaching of trained experienced aviation professionals has been one of the main causes of brain drain in Africa aviation. Therefore, what one concludes from this as it is responded 50 (72.5%) turnover of the skilled labor in the company is a serious problem and 33 (47.9%) of the intensity of turnover is high.

According to table X item 3, 30 (43.5%) respondents did make exit interview when employees leave the company and 39 (56.5%) do not leave the company. Even though 43% exit interview made by bosses taking exit interview is the responsibility of human resource department that is why most probably 56.5% of the bosses do not make exit interview.

According to Daft, 1994 pp 423-424 the exit interview is an excellent and inexpensive tool for reducing turnover and for learning about pockets of dissatisfaction within the organization and hence for reducing future turnover and according to Ethiopian airlines Five Years (2008/09-2012/13) Human Resource Strategy stated once employee has decided to leave the company exit interview should be conducted by his immediate supervisor basically for key competences. In case of management position incumbent, an exit interview should be carried out in the presence of human resource representative. Therefore an exit interview is not done as expected.

According to table X item 4 for the reason why they did not make exit interview 5 (12.8%) responded that interview is conducted at HRM, 20 (51.3%) responded it is not conducted because employees are not interested in making interview, 6 (15.4%) responded making interview is takes time and 8 (20.5%) did not respond.

Concerning the existence of equal opportunity of promotion for all staffs on table X item 5, management staffs responded that 30 (43.5%) believe that there is equal opportunity of promotion for all staffs, 24 (34.8%) of the bosses do not believe that no equal opportunity of promotion for all staffs and 21 (15.7%) responded they do not know about this issue.

According to table X item 6, 6 (8.7%) of the bosses believe that employees of Ethiopian earn adequate financial compensation to meet their need when compared to other airlines companies and 63 (91.3%) of them do not believe. According to Deverell (1968:162) inadequate or unsound wage classification structure may cause dissatisfaction and may result in termination; and also according to Tewodros Tamarat one of the reasons for exodus of employees to other airlines companies is because of low salary.

Doganis has quoted the case of Singapore Airlines, as a result of rapid expansion, having to employ many expatriate pilots during the 1980s, thereby raising its average pay for pilots' to levels high relative to neighboring airlines.

According to ET's Five Years Strategy describes: When we see the existing competition with regard to Human Resource it is mainly on qualified and experienced professionals, as many companies in the industry want to substantially reduce their training and development cost. They want to get a ready made person who can be productive from the first day. Ethiopian on the other hand trains and develops its staffs from small to the highest professional ability; this gives our competitor the opportunity to take our qualified and experienced professionals just by giving a better and competitive offer" (pp 6).

And also according to this Five Years Strategy a survey was made on July 2007 why some of employees of leave the company 50.68% of the respondents responded it is because of low compensation and benefit package (pp14).

And also as this Five Years Strategy describes in its SWOT analysis one of the weakness of the company is a low pay compared to industry for key professionals. (pp16)

Therefore it is true that as the respondents' rate staffs of the company do not earn adequate financial compensation to meet their need when compared to other airlines companies.

Table XI. Management Staffs View on Grievance Handling and Communication Flow

Item	Description	Number	Percent
1	How is grievance handled by management whenever it arises within the company?		
	According to the company policy	50	72.5
	Fairly	---	---
	Badly	2	2.9
	I do not know	10	14.5
	No answer	7	10.1
	Total	69	100
2	How do you characterize about information flow (communication system) between management and staffs at different levels?		
	Good	30	43.5
	Poor	25	36.2
	Fair	8	11.6
	I do not know	6	8.7
	Total	69	100

According to table XI item 1, 50 (72.5%) of the respondents believe management of grievance is done according to the company policy, that means it is good 2 (2.9%) of the respondents believe that grievance management is really bad, 10 (14.5%) they do not know how grievance is managed in the company and 7 (10.1%) of them do not respond.

According to the company policy grievance process looks as follows: when the employee penalized by his immediate boss he/she grievance to the next higher management body; and if the next management execute the decision the third step grievance will be examined by the industrial relation department and if the decision executed by this department the fourth appeal goes to the labor union, and the labor union decision is the final decision. If the final decision is a dismissal it has to be approved by the CEO. And if the dismissed employee is not a management member he can appeal the final decision of the CEO to the court.

According to table XI item 2, 30 (43.5%) of the respondents response is good concerning the information flow between management and staffs at different levels, 25

(36.2%) responded it is poor, 8 (11.6%) responded it is fair and 6 (8.7%) do not know how information is flow.

According to Ethiopian airlines Five years (2008/09-2012/13) human resource strategy what put on the strategy is deploying a communication mechanism so that both management and employees keep sharing information with each other i.e. top down as well as bottom up communication and also as stated on the strategy both positive and negative feed backs should be given to employees on timely basis. So what we conclude from this is the communication flow is somewhat better according to the respondents.

Table XII. Management Staffs Response on Cost of Staff Turnover

Item	Description	Number	Percent
1	Do you agree that staff turnover has cost for the organization?		
	Yes	47	68.1
	No	2	2.9
	I do not know	20	29.0
	Total	69	100
2	If your response is Yes for the above, which cost do you think reflected on turnover?		
	Cost associated with the termination of the employee such as exit interview, the time for facilitating clearance, and payroll amendment.	13	27.7
	Cost associated with the employment of the new staff such as cost of advertising, interviewing ... etc	24	50.0
	I do not know	10	21.3
	Total	47	100

According to table XII item 1, 47 (68.1%) of the respondents agree that staff turnover has a cost for the organization, 2 (2.9 %) of the respondents do not agree and 20 (29%) do not know turnover has a cost. And item 2 of table XII shows that 13 (27.7%) of the respondents responded that cost is associated with the termination of employee such as exit interview, the time for facilitating clearance, and payroll amendment and 24 (50.0%) responded that it is cost associated with the employment of the new staff such as cost of advertising, interviewing, etc. but 10 (21.3%) do not know about the cost.

According to Newman & Hodgetts costs that are reflected on turnover are: separation cost, recruitment costs, selection costs, hiring cost and loss of productivity costs. And according to these authors (1998) one of the primary reasons for developing an effective

orientation program is that high turnover rates increase the costs of recruit, screening, and selecting while sharply reducing profit and productivity.

Table XIII. Management Staffs Response on Media of Recruitment and Retention Mechanism

Item	Description	Number	Percent
1	For recruitment of employees which media does the company use to notify potential candidates for vacancies?		
	Newspaper	50	72.5
	Television	2	2.9
	Radio	--	
	Other	17	24.6
	Total	69	100
2	What retention mechanism do you suggest that the company has to take		
	Equal opportunity of promotion	20	29.0
	Salary adjustment	39	56.5
	Equal opportunity for training	10	14.5
	Others	--	--
	Total	69	100

According to table XIII item 1, 20 (72.5%) of the respondent responded believe that newspaper takes the major part of announcement of the media and 2 (2.9%) of respondents responded television is one of the media that used as information dissemination for recruitment and 17 (24.6%) responded as other that include website of the company.

As media of newspaper is cheaper in cost and more readable by the users than television the company uses this media. Therefore it is true that Ethiopian usually uses The Reporter and Addis Zemen more frequently for recruitment process.

According to table XIII item 2, 20 (29%) of the respondents responded there is equal opportunity of promotion 39 (56.5%) of the respondent suggest the company has to work on salary adjustment and 10 (14.5%) of the respondents recommended equal opportunity of training is necessary for all staffs.

According to IDS 2000 what cited as retention mechanism are: job preview, career development and progression, consulting employees, being flexible by management, job security, treating people fairly and carefully screening candidates for the right job fit.

According to Stephen Taylor pp 238-241 he mentioned an extrinsic reward practice one of it is promotion, therefore as the literature recommends equal opportunity of promotion is mandatory.

Singh strengthen this idea by mentioning cause of turnover but avoidable is low remuneration and also according to Ethiopian Five Years (2008/09-2012/13) Human Resource Strategy one of the company's strategies of retention of employees is assuring a necessary training proactively and in a planned manner.

II. Response of Existing staffs

Table XIV. Existing Staffs Response on Pre-placement Induction/Orientation and Marginalization

Item	Description	Number	Percent
1	How was your pre-placement induction/orientation program?		
	Excellent	--	
	Very good	56	20.7
	Good	103	38.0
	Fair	66	24.4
	Bad	25	9.2
	No answer	21	7.7
	Total	271	100
2	Do you feel that you are marginalized by the management?		
	Yes	174	64.2
	No	82	30.3
	No answer	15	5.5
	Total	271	100

According to table XIV item 1 existing staff opinion about the induction program of Ethiopian is rated as very good 56 (20.7%), good 103 (38%), and fair 66 (24.4%), bad 25 (9.2%), and 21 (7.7%) no response. This indicates that Ethiopian needs to do more to achieve the highest satisfaction standard in orientation specially to reduce early termination.

Placement refers to assigning rank and responsibility to an individual, identifying him with a particular job. If the person adjusts to the job and continues to perform per expectations, it means that the candidate is properly placed. However, if the candidate is seen to have problems in adjusting himself to the job, the supervisor must find out whether the person is properly placed as per the latter's aptitude and potential. (www.chrmglobal.com).

And also induction refers to the introduction of a person to the job and the organization. The purpose is to make the employee feel at home and develop a sense of pride in the organization and commitment to the job. The induction process is also envisaged to indoctrinate, orient, acclimatise, and acculturate the person to the job and the organization. The basic thrust of Induction training during the first one or few weeks after a person joins service in the organization is to: introduce the person to the people with whom he works, make him aware of the general company policies that apply to him as also the specific work situation and requirements, answer any questions and clarify any doubts that the person may have about the job and the organizationand provide on-the-job instructions, check back periodically how the person is doing and offer help, if required.(www.chrmglobal.com).

Proper induction would enable the employee to get off to a good start and to develop his overall effectiveness on the job and enhance his potential (www.chrmglobal.com).Therefore what a company does on this is a good progress and has to keep it up.

According to table XIV item 2, existing staffs are inquired whether they feel marginalized or not. 174 (64.2%) of the respondents were replied that they experience this feeling, 82 (30.3%) replied that they did not felt marginalized and 15 (5.5%) did not give any answer. Except for mentioning the feeling of marginalization, no one has mentioned the cause of their feeling. What we conclude from this is there is no good management system and is could be mentioned as one of the major cause of staff turnover for the staff turnover.

Marginalization is typically involves some degree of exclusion from access to power and/or resources. In being at the periphery—at the margins—of society, those who are marginalized do not get to enjoy the full or typical benefits that those who are closer to the center tend to receive (*www.siop.org*). Merriam-Webster's online dictionary defines to marginalize as "to relegate to an unimportant or powerless position within a society or group" (<http://www.merriam-webster.com/dictionary/marginalization>).

Research on organizational inclusion and diversity (e.g., Holvino, Ferdman, & Merrill-Sands, 2004; Konrad, Prasad, & Pringle, 2006) is also relevant, as some groups have

historically struggled for inclusion. Some of the groups identified during the roundtable session as being especially likely to be marginalized include: the working poor, Immigrant workers, both legal and undocumented; migrant workers, young workers, including school leavers and victims of child labor, chronically unemployed individuals, victims of human trafficking, and any group that has minority or lower social status in the society, including, for example, ethnic minorities, older workers, workers with disabilities, and lesbian, gay, bisexual, and transgender/transsexual (LGBT) employees

Therefore what we conclude from this is it results in consequence for the staff turnover from the company and the company has to do more on this.

Table XV. Existing staffs response on their relationship with Supervisors and Coworker

Item	Description	Number	%
1	How do you rate your relationship with your supervisors?		
	Very good	78	28.7
	Good	52	19.2
	Fair	125	46.1
	Bad	--	--
	No answer	16	6.0
	Total	271	100
2	How do you rate the relationship between supervisors and coworkers?		
	Very good	61	22.5
	Good	68	25.1
	Fair	120	44.3
	Bad	20	7.4
	No answer	2	.7
	Total	271	100

Table XV item 1 shows the existing staffs' respondents have also ranked their relationship with their supervisors. Accordingly, they rated their relationship with their supervisors as 78 (28.7%) very good, 52 (19.2%) good, 125 (46.1%) fair and 16 (6%) did not respond. Though 125 (46.1%) staffs have not put their feeling clearly and 16 (6%) did not respond. One can conclude the relationship is not as such satisfactory; so much has to be done to improve this situation.

As indicated on table XV item 2, 61 (22.5%) of the respondents have responded the relationship is very good, 68 (25.1%) responded good, 120 (44.3%) responded it is fair, 20 (7.4%) responded bad and 2 (7%) did not respond. This indicates that more or less no good relationship between supervisors and coworkers. On the other hand management

staffs responded on this issue on table IX item 3 that 82.6% responded as if there is a (excellent, very good and good) relationship between bosses and subordinates. There is a contradiction between the two respondents, therefore with no doubt there is no good relationship between bosses and subordinate and the company has to do more on this issue.

As cited by CIPD employees move from one organization to the other and from one industry to the other for different reasons. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce which “pulls” them like higher salary or better benefits; on the other hand occasions they are “pushed” due to dissatisfaction in their present jobs to seek alternative employment. Therefore what we can conclude from this is as indicated above on the table it could be mentioned as a push factor that enforces employees to leave the company (www.cipd.co.uk).

Table XVI. Existing Staffs Response on Leadership skill, Normal working hour, Professional capacity

Item	Description	Number	%
1	How do you rate the leadership skill of your boss?		
	Very good	48	17.7
	Good	82	30.3
	Fair	21	7.7
	Bad	105	38.8
	No answer	15	5.5
	Total	271	100
2	How is the work load in terms of normal working hours?		
	Normal	103	38.0
	Beyond capacity	153	56.0
	Below my capacity	10	4.0
	No answer	5	2.0
	Total	271	100
3	How is your responsibility in terms of your professional capacity?		
	Within my capacity	154	56.8
	Beyond my capacity	69	25.2
	Below my capacity	38	14.0
	No answer	10	4.0
	Total	271	100

According to table XVI item 1, 48 (17.7 %,) responded very good 82 (30.3 %,) responded good, 21 (7.7%) fair, 105 (38.8%) Bad and 15 (5.5%) did not answer. This shows that the leadership skill of supervisors from the point of view of the respondent is not good. As

management staffs rated themselves on Table VIII item 2, 63 (91.3%) rated their leadership skill as excellent, very good and good. But what conclude from this is there is a great gap between the two parties in rating the skill of management staffs leadership skill.

According to table XVI item 2, with regard to work load in terms of normal working hours is rated as 103 (38.0%) is rated normal, 153 (56.0%) beyond capacity, 10 (4.0%) below capacity and 5 (2.0%) did not answer. As indicated on table IX item 1 response was given by management staffs they also agree that the work load is beyond capacity. Therefore management has to look for a mechanism to reduce this work load otherwise this might enforce the workers to leave the company.

As to responsibility in terms of professional capacity discussed on table XVI item 3, out of 271 staffs, 154 (56.8%) of the respondents' claims that they were working within their capacity, 69 (25.2%) responded they work beyond their capacity and 38 (14.0%) responded they work below their capacity.

Table XVII. Existing Staffs Response on Working Environment, and Compensation

Item	Description	Number	%
1	How do you rate condition of the working environment?		
	Very good	28	10.3
	Moderate	113	41.7
	Fair	81	29.9
	Bad	29	10.7
	No answer	20	7.4
	Total	271	100
2	Do you think that the salary that your get compensate your work load?		
	Yes	44	16.2
	No	227	83.8
	Total	271	100

According to table XVII item 1 in view of existing staff 28 (10.3%) of condition of working environment is very good, 113 (41.7%) rated it is moderated, 81 (29.9%) rated it is fair and 29 (10.7%) is rated it is bad. Management staffs responded on this point on table IX item 2, 73.9% of them responded the working condition of the company as if it is excellent, very good and good. There is a big gap between the staffs and management staffs on this issue, this shows that the work load is believed by existing staffs as it is not good and this could also be a factor for turnover.

As shown on www.eurofound.europa.eu the supplementary module on working conditions of the Austrian Mikrozensus distinguishes between two types of potentially adverse working conditions in the workplace: working environment risks (Umwelteinflüsse) and other job-related stress factors (berufliche Belastungen). Working environment risk factors include, for example, weather conditions, hot or cold indoor conditions, dust, dirt, grease and oil, vapours, gases and smoke, different types of noise (industrial, traffic and office noise), draughts or second-hand smoke. The category of other job-related stress factors comprises workloads, unergonomic working conditions, time pressure, and continuous contact with customers, overtime, monotony, accident risk, work on computers, etc.

Concerning salary earned on table XVII item 2, 44 (16.2%) responded it compensates their work load, 227 (83.8%) replied it do not compensated their work load. According to Ethiopian Five Years Strategy Ethiopian ensure compensation and benefit package is always current and competitive in the market and to the industry. This will assist Ethiopian to reduce the turn over rate on key positions in additions Ethiopia design attractive incentive scheme to reward good performance and design attractive incentive scheme to reward good performance (pp29).

Table XVII. Existing Staffs Response on Discrimination

Items	Response	No of respondents	Percent
Was there any discrimination between your colleagues and you, in respect of			
Salary	Yes	66	24.35
	No	205	75.65
Total		271	100
Workload	Yes	95	35.05
	No	176	64.95
Total		271	100
Treatment	Yes	96	35.42
	No	175	64.58
Total		271	100

The existing staffs were inquired to reply whether there is discrimination on salary, workload and treatment and they responded on table XVII as follows: 66 (24.35%) replied as there is discrimination on salary and 205 (75.65%) responded as there is no

discrimination on salary; 95 (35.05%) responded as there is discrimination on workload and 176 (64.95%) responded as there is no discrimination; 96 (35.42%) responded as there is discrimination on treatment but 175 (64.58%) responded there is no discrimination concerning treatment. What we conclude from this is even though the degree of discrimination is some what better still more improvement is needed.

Table XIX. Existing Staffs Response on Enforcing Factor that Cause them for Resignation and on Grievance Handling

Item	Description	Number	Percent
1	If there is any enforcing factor that cause you to resign, which one will be your reasons for resignation?		
	Leadership problem	70	24.4
	Due to family problem (e.g. marriage---)	11	3.8
	Unfavorable/unsecured conditions of working area	13	4.5
	Dissatisfaction with the job (e.g. Boring, no promotion--)	60	20.8
	Better opportunity in other organizing (e.g. Salary, promotion---)	59	20.5
	Dissatisfaction with the area /place of work	30	10.4
	Educational opportunity	45	15.6
	Total	288	100
2	How is grievance handled by management whenever it arises within the company?		
	According to the company policy	100	36.9
	Fairly	19	7.0
	Badly	105	38.7
	I do not know	34	12.5
	No answer	13	4.9
	Total	271	100

Concerning enforcing factor for resignation as responded on table XIX item 1, 70 (24.4%) responded because of leadership problem, 11 (3.8%) responded due to family problem, 13 (4.5%) responded because of unfavorable/unsecured conditions of working area (environment), 60 (20.8%) responded because of dissatisfaction with job, 59 (20.5%) responded because of better opportunity in other organizations, 30 (10.4%) responded because of dissatisfaction with the area/place of work and 45 (15.6%) responded it is because of educational opportunity.

According to table XIX item 2, concerning grievance handling 100 (36.9%) responded it is managed according to the company policy, 19 (7%) responded it is managed fairly, 105 (38.7%) it is managed badly, the 34 (12.5%) respondents responded they do not know

anything about grievance handling; that means they do not have any experience in grievances cases with their bosses or with their working mates and 13 (4.9%) did not respond.

When we compare Table XIX item 2, with management staffs response on table XI item 2, it is totally different. 72.5% of management staffs responded as grievance is managed or handled according to company policy the existing staffs does not agree on it. Therefore what we conclude from this staffs does not believe on the grievance handling system in the company.

Table XX. Existing Staffs Response on Communication Flow and on Equal Opportunity of Promotion

Item	Description	Number	Percent
1	How do you characterize about information flow (communication system) between management and staffs at different levels?		
	In good manner	95	35.06
	Poor	118	43.54
	Fairly	36	13.28
	I do not know	22	8.12
	Total	271	100
2	Do you feel that there exists equal opportunity of promotion for all staffs?		
	Yes	100	36.9
	No	171	63.1
	Total	271	100

According to table XX item 1, concerning communication flow 95 (35.06%) responded it good, 118 (43.54%) responded it is poor, 36 (13.28%) responded as it is managed fairly, and 22 (8.12%) responded they do not have any knowledge about the communication system. As management staffs responded on table 4.1.7 the information flow is some what good but it is contradicting with staffs' response. Therefore we can conclude that the communication flow system is not good.

As Ethiopian clearly put it on its Five Years HR Strategy concerning communication it deploy a communication mechanism so that both management and employees keep sharing information with each other i.e., top down as well as bottom up.

According to table XX item 2, concerning the existence of equal opportunity of promotion for all staffs 100 (36.9%) responded yes and 171 (63.1%) responded no. What

we conclude from this is promotion is not done with the interest of the employees or according to per company policy.

Concerning the existence of equal opportunity of promotion management staffs responded on table X item 5, 30 (43.5%) of them believe that there is equal opportunity of promotion for all staffs, 24 (34.8%) of the bosses do not believe that no equal opportunity of promotion for all staffs and 15 (21.7%) responded they do not know about this issue. What we learn and conclude from this, there is no conformity of response between table X item 5 and table XX item 2. Therefore existing staffs have dissatisfaction on this point and management has to look for improvement for it.

On this point Ethiopian clearly put on its Five Years HR strategy as cultivate fairness and transparency where all ET staffs feel fairly treated in all aspects.

Table XXI. Existing Staffs Response on Adequate Financial Compensation System and on Retention Mechanism

Item	Description	Number	Percent
1	Do you feel that staffs of this company earn adequate financial compensation to meet their need when compared to other airlines companies?		
	Yes	44	16.24
	No	227	83.76
	Total	271	100
2	What retention mechanism do you suggest that the company has to take?		
	Good management system	62	20.46
	Salary adjustment	176	58.09
	Creating a good working environment	65	21.45
	Others	--	--
	Total	303	100

According to table XXI item 1, concerning adequate financial compensation system compared to other airlines companies 44 (16.24%) responded yes and 227 (83.76%) responded no. As mentioned on table X item 6, 91.3% of the management staffs responded that financial compensation is not good when compared to other airlines companies.

According to table X item 6, 6 (8.7%) of the bosses believe that employees of Ethiopian earn adequate financial compensation to meet their need when compared to other airlines

companies and 63 (91.3%) of them do not believe. According to Deverell (1968:162) inadequate or unsound wage classification structure may cause dissatisfaction and may result in termination; and also according to Tewodros Tamarat one of the reasons for exodus of employees to other airlines companies is because of low salary.

As Ethiopian clearly put it on its Five Years HR strategy, Ethiopian competitors take qualified and experienced professionals just by giving a better and competitive offer. The inability of ET to compete and retain its qualified and experienced core staffs puts it on the disadvantage side. Therefore what we conclude from this, because employees have many accesses about the other world they have much information and knowledge of other airline companies, therefore unless this financial compensation system improved it opens a door for turnover.

According to table XXI item 2, staffs response on suggestion of retention mechanism indicates 62 (20.46%) suggested an improvement of good management system, 176 (58.09%) improvement of salary adjustment, and 65 (21.45%) recommended creating a good working environment. Here the number of respondents increased to 303 from 271 because most of them responded more than one responses of the questionnaire.

According to Ethiopian Five Years HR Strategy ET put remedial action that used as a retention mechanism to reduce turnover, i.e., strengthen the leadership development program and align it with succession planning, empower line/business managers for HR functions, design a system for free movement of talent across organization, improve working environment and working on employees house project.

III. Response of Terminated staffs

Table XXII. Terminated Staffs response on Pre-placement Induction/Orientation and on Marginalization

Item	Description	Number	%
1	How would you rate your pre-placement orientation (induction) program?		
	Very good	4	20
	Good	11	55
	Fair	5	25
	Bad	--	--
	Total	20	100
2	Do you feel that you were marginalized by the management?		
	Yes	15	75
	No	5	25
	Total	20	100
3	How did you rate your relationship with your supervisors?		
	Very good	3	15
	Good	8	40
	Fair	9	45
	Bad	--	-
	Total	20	100

According to table XXII item 1, terminated staffs opinion about the induction program of Ethiopian is rated as very good 4 (20%), 11 (55%) rated good and 5 (25%) fair. Even though the data shows a good status in induction/orientation still more has to be done to maintain the existing condition.

As shown on table XIV existing staff opinion about the induction program of Ethiopian is rated as very good 56 (20.7%), good 103 (38%), and fair 66 (24.4%), bad 25 (9.2%), and 21 (7.7%) no response. This indicates that Ethiopian needs to do more to achieve the highest satisfaction standard in orientation specially to reduce early termination.

As both the existing and terminated staffs response on induction is almost similar. Therefore still much has to be done on this.

According to table XXII item 2, terminated staffs were inquired whether they feel marginalized or not. 15 (75%) of the respondents were replied that they had experienced this feeling and 5 (25%) did not. Except for mentioning the feeling of marginalization, no one has mentioned the cause of their feeling.

Existing staffs were inquired whether they feel marginalized or not. 174 (64.2%) of the respondents were replied that they experience this feeling, 82 (30.3%) replied that they

do not feel marginalized and 15 (5.5%) did not give any answer. Except for mentioning the feeling of marginalization, no one has mentioned the cause of their feeling.

What we conclude from this both existing and terminated staffs do have the same feeling on marginalization; therefore the higher management has to work more on this especially training on leadership program should be given to management staffs, other wise this could be mentioned as one of the major cause of staff turnover for the company.

Table XXII item 3 shows the terminated staffs' relationship with their supervisors. Accordingly, they rated their relationship with their supervisors as 1 (10%) very good, 6 (60%) good, 3 (30%) fair.

Table XV item 1 shows the existing staffs' relationship with their supervisors. Accordingly, they rated their relationship with their supervisors as 78 (28.7%) very good, 52 (19.2%) good, 125 (46.1%) fair and 16 (6%) did not respond. Though 125 (46.1%) staffs have not put their feeling clearly and 16 (6%) did not respond one can conclude the relationship is not as such satisfactory. So much has to be done to improve this.

What we conclude from table XXII item 3 and table XV item 1 terminated staffs' and existing staffs' responses on relationship with their boss is fair, this implies that management has to give more training on management skills for management staffs.

Table XXIII. Terminated Staffs View on Grievance Handling

Item	Description	Number	Percent
1	Have you ever made any grievance on your immediate boss?		
	Yes	5	25
	No	15	75
	Total	20	100
2	If your response is Yes what was your feeling on the response?		
	Dissatisfied	4	20
	Satisfied	--	--
	Satisfactory	--	--
	Indifferent	--	--
	No answer	16	80
	Total	20	100

According to table XXIII item 1 terminated staffs who made grievance on their immediate boss was only 5 (25%) and those do not made any grievance were 15 (75%). That means either those terminated staffs had good relationship with their bosses or did not want to make grievance at all for unknown reasons.

On table XXIII item 2 the one who made grievance the 4 (20%) was dissatisfied with the response he got and 16 (80%) did not answer. That means they did not made grievance initially.

Table XXIV Terminated Staffs General Observation and Rating about Pay, Workload, and Responsibility.

Item	Description	Number	%
1	How did you rate the leadership skill of your boss?		
	Good	6	30
	Fair	10	50
	Bad	2	10
	No answer	2	10
	Total	20	100
2	How was the work load in terms of normal working hours?		
	Normal	5	25
	Beyond capacity	12	60
	Below my capacity	3	15
	Total	20	100
3	How is your responsibility in terms of your professional capacity?		
	Below my capacity	10	50
	Within my capacity	6	30
	Above my capacity	4	20
	Total	20	100
4	Do you think that you had been paid well?		
	Yes	3	15
	No	17	85
	Total	20	100

According to table XXIV item 1, rating the leadership skill of bosses 2 (20%) responded good, 4 (40%) responded fair, 2 (20%) bad and 2 (20%) did not answer. This shows that the leadership skill of supervisors from the point of view of the respondent is not good. This general response is similar to the existing staffs' response on table XVI and contradicting with management staffs response on table XVIII item 2.

According to table XXIV item 2, with regard to work load in terms of normal working hours terminated staffs rated as 4 (40%) is normal and 6 (60%) beyond capacity.

According to table XVI item 2, with regard to work load in terms of normal working hours existing staffs rated 103 (38.0%) is normal, 153 (56.0%) beyond capacity, 10 (4.0%) below capacity and 5 (2.0%) did not answer.

As indicated on table IX item 1 response was given by management staffs as 27 (39.1%) of the work load of their subordinates in terms of the normal working hours is normal and 37 (53.6%) of them judge it is beyond capacity and 5 (7.2%) did not respond. The three respondents management, existing and terminated staffs all agree that the work load is beyond the workers capacity, therefore management has to look for a mechanism to reduce this work load otherwise this might enforce the workers to leave the company.

As to responsibility in terms of professional capacity, on table XXIV item 3 out of 20 terminated staffs, 10 (50%) of the respondents' claims that they were working below capacity, 6 (30%) responded they work within their capacity and 4 (20%) responded they work under their capacity.

Table XXIV item 4 discusses about payment. 3 (15%) of the respondents replied he/she was paid well and 17 (85%) of the respondents replied they did not pay well.

Table XXV Terminated Staffs Response on Working Environment

Item	Description	Number	%
1	How was the work environment that you were working?		
	Very good	--	--
	Moderate	--	--
	Fair	13	65
	Bad	7	35
	Total	20	100
2	Do you think that the condition of the working environment had impact for your resignation?		
	Yes	17	85
	No	3	15
	Total	20	100

Concerning the work environment on table XXV item 1 indicates 13 (65%) responded it was fair and 7 (35%) replied it was bad. What we can conclude from this is it had an impact for their resignation.

According to table XVII item 1 in view of existing staff 28 (10.3%) of the condition of working environment is responded as very good, 113 (41.7%) rated it is moderated, 81 (29.9%) rated it is fair and 29 (10.7%) is rated it is bad. Both existing and terminated staffs responds on this topic is similar, that means the working environment is not good.

Table XXV item 2 indicates the conditions of the working environment; on this topic 17 (85%) responded it had an impact and 3 (15%) responded it did not had an impact. And also as shown in table IX item 2 the view of management members on the working condition of the company 3 (4.3%) of the respondents respond it is excellent, 18 (26.1%) respond it is very good, 30 (43.5%) believe that is good, 10 (14.5%) respond as it is fair and 2 (2.9%) believe that is bad and 6 (8.7%) did not respond.

The view of terminated staffs and management staffs on the working condition of the company is totally differs. As terminated staffs responded it might be the cause therefore management has to revise and see again the condition of the working environment.

Table XXVI Terminated Staffs Response on Discrimination

Items	Response	No of respondents	Percent
Was there any discrimination between your colleagues and you, in respect of			
Salary	Yes	2	10
	No	18	90
Total		20	100
Workload	Yes	4	20
	No	16	80
Total		20	100
Treatment	Yes	8	40
	No	12	60
Total		20	100

The terminated staffs were inquired to reply whether there is discrimination on salary, workload and treatment and they responded on table XXVI as follows: 2 (10%) replied as there is discrimination on salary and 18 (90%) responded there is no discrimination on salary. 4 (20%) responded as there is discrimination on workload 16 (80%) responded as there is no discrimination. 8 (40%) responded as there is discrimination on treatment but 12 (60%) responded there is no discrimination concerning treatment. What we conclude from this is even though the degree of discrimination is better comparing to no discrimination still more improvement is needed.

Table XXVII Terminated Staffs Response on Relationship with Supervisors and Coworker sand on Adequate Financial Compensation System

Item	Description	Number	Percent
1	How was the relationship between your boss and subordinates?		
	Very good	--	--
	Good	--	--
	Fair	8	40
	Bad	12	60
	Total	20	100
2	How do you rate the benefits and compensation of Ethiopian in comparison with other airline companies?		
	Very good	--	--
	Good	--	--
	Fair	6	30
	Bad	14	70
	Total	20	100

As indicated on table XXVII item 1, 8 (40%) responded their relationship between their bosses was fair and 12 (60%) responded it was bad. We conclude from this as it was an impact for their resignation.

As indicated on table XV item 2 of existing staffs response, 61 (22.5%) of the respondents have responded the relationship is very good, 68 (25.1%) responded good, 120 (44.3%) responded it is fair, 20 (7.4%) responded bad and 2 (7%) did not respond.

As shown on table IX item 4 of management staffs response, 9 (13%) responded it is excellent, 42 (61%) responded it is very good, 16 (23%) responded it is good and 2 (3%) responded it is fair.

This indicates that more or less no good relationship between supervisors and coworkers. On the other hand management staffs responded as there is a good relationship between bosses and subordinates. There is a contradiction between the two respondents, therefore there is no point that we say there is a good relationship between bosses and subordinate and the company has to do more on this issue.

According to table XXVII item 2, concerning adequate financial compensation system 6 (30%) responded as it is fair and 14 (70%) responded as it is bad.

As existing staffs responded on table XXI, compared to other airlines 44 (16.24 %) responded there is a financial compensation and 227 (83.76%) responded there is no good financial compensation compared to other airlines.

As mentioned on table X item 6, 91.3% of the management staffs responded that financial compensation is not good when compared to other airlines companies.

As Ethiopian clearly put it on its Five Years HR strategy, Ethiopian competitors take qualified and experienced professionals just by giving a better and competitive offer. The inability of ET to compete and retain its qualified and experienced core staffs puts it on the disadvantage side. Therefore what we conclude from this is as employees have many accesses to the other world they have much information and knowledge, therefore unless this financial compensation system improved it opens a door for turnover.

What we conclude from this is as employees had many accesses to the other world they had much information and knowledge, therefore this created for their resignation.

Table XXVIII. Terminated Staffs Response on Reason for Resignation and on retention mechanism

Item	Description	Number	Percent
1	Reasons for your resignation from Ethiopian		
	Leadership problem	6	30
	Due to family problem (e.g. marriage---	2	10
	Lack of favorable working condition/ dissatisfaction with the job	4	20
	Unfavorable condition of security of in the working environment	--	--
	Better opportunity in other organizing (e.g. Salary, promotion--)	8	40
	Total	20	100
2	What retention mechanism do you recommend for the company?		
	Equal opportunity of promotion	10	27.8
	Salary adjustment	11	30.6
	Improving management system	9	25.0
	Bosses should respect their subordinates	6	16.6
	Total	36	100

According to table XXVIII item 1, concerning reason for resignation 6 (30%) responded as leadership problem, 2 (20%) due to family problem, 4 (20%) responded as lack of favorable working conditions/dissatisfaction with the job and 8 (40%) better opportunity in other organizations.

Concerning enforcing factor for resignation as responded by existing staffs on table 4.1.17, 70 (24.4%) responded because of leadership problem, 11 (3.8%) responded due to family problem, 13 (4.5%) responded because of unfavorable/unsecured conditions of

working area (environment), 60 (20.8%) responded because of dissatisfaction with job, 59 (20.5%) responded because of better opportunity in other organizations, 30 (10.4%) responded because of dissatisfaction with the area/place of work and 45 (15.6%) responded it is because of educational opportunity.

The terminated and existing staffs have the same outlook on resignation and enforcing factor for resignation. Therefore management has to work much on human capacity development.

According to table XXVIII item 2, staffs response on suggestion of retention mechanism indicates 10 (27.8%) suggested an improvement of good management system, 11 (30.6%) improvement of salary adjustment, and 9 (25%) recommend bosses should respect their subordinates. 6 (16.6%) improvement of equal opportunity of promotion.

CHAPTER FIVE

Summary, Conclusion and Recommendation

5.1 Summary

Turnover is a critical variable to measure the contribution of human resource functions in organization. It has major cost elements that could be estimate or quantified with monetary terms such as separation cost, replacement cost and training cost and other unforeseen costs. Turnover also has costs that can not be expressed in terms of quantity and thus regarded as qualitative costs like reduction of quality and inefficiency of productivity.

The purpose of this study is also to investigate the cause of staff turnover in Ethiopian and to give possible solution and recommendations to reduce staffs turnover and how to withstand the avoidable staff turnover. To achieve this objective, data were collected through questionnaire from terminated, existing and management staffs. Besides the overall trend of human resource movement was collected from the Human Resource of the company.

The general characteristics of the respondents include sex, age, marital status, educational qualification, and work experience of existing, terminated and management staffs. Of the 622 distributed questionnaires only 360 were collected and out of this 20 from terminated staffs, 271 from existing staffs and 69 from management staffs.

With regard to respondents' of core professionals, 366 staffs were selected from maintenance & engineering using random sampling and out of these 175 of the respondents filled the questionnaires; since all the respondents have equal chance of probability random sampling is selected; random sampling also minimizes bias and simplifies analysis of result, 59 staffs were selected from marketing using the availability sampling technique and 40 of them filled and returned the questionnaire distributed to them; and 41 staffs were selected from purchasing using random sampling and all 41 were filled and returned the questionnaire.

With regard to supporting staffs, 54 staffs were selected from finance using random sampling and 44 questionnaires were filled and returned; and 77 staffs were selected from

flight catering using random sampling and 40 questionnaires were filled and returned. With regard to terminated staffs 25 questionnaires were distributed to respondents' and only 20 questionnaires were filled and returned back.

As indicated in questionnaire respondents responded that the main factors that contribute for turnover are low opportunity of career development, promotion and advancement, low motivation practice, low payment, and lack of benefit package. Management staffs have the awareness of cost and its impact of instability that it creates on the company.

Most of the current and terminated employees responded by disagreeing with the communication system that they have between management and employees being properly laid down and management recognition of employees'.

Since the susceptible departments for turnover are maintenance and engineering, marketing, flight catering, purchasing and finance they were selected for the study purpose.

5.2 Conclusion

The study concluded that organizations should reduce turnover rate by improving the organizational climate. Organizational climate is defined as a global impression of one's organization and personal impact of the work environment, which influences the individuals work behaviors and job-related attitudes. It describes the perception of employees towards their organizations which would link to work attitude formation (Litwin & Stringer, 1968; Prichard & Karasick, 1973).

In a nutshell, this study has demonstrated that management should form and organization that promote positive organizational climate which includes well-defined job responsibilities and policies with flexible structure, fair and equitable rewards system as well as a supportive and friendly work atmosphere. Positive organizational climate exerts and enhances employees' job satisfaction and hence less likely to look for jobs somewhere else. Keeping good employees is critical to business success and organizations should make employee retention a part of corporate culture.

1. Training and development programs are not given to employees as much as it is needed.

2. The compensation system and benefit packages of the company are not that much attractive when compared to other airline companies.
3. The response obtained from the questionnaires point out that, both terminated and existing staffs have somehow favorable relationship with their immediate supervisors.
4. Most of the sample respondents participated from each category agrees that the workload of staffs is beyond the normal eight hour working (including over time). The terminated and existing staffs also complain that the payment they receive does not compensate the workload.
5. Majority of the sample of the existing staffs agree that they are working within their capacity.
6. Most of the respondents, terminated and existing staffs, rated the working environment of Ethiopian is moderate. 90% of the terminated staffs have also added that the environment had contribution for their termination.
7. Most of terminated and existing staffs' complaint on their immediate bosses' management system.

5.3 Recommendation

In order to control the weaknesses, and improve the working conditions of the company the following recommendations are made based on the findings made in the study.

1. The organization should revise its compensation system according to the industry market. Competitive compensation packages can signal strong commitment on the part of the company, and can therefore build a strong reciprocal commitment on the part of workers. The company should device a reward system such as staffs' recognition (appreciation) ceremonies that reward and motivate the good performers to retain at the company.
2. The company should give training and development as much as possible to increase the retention rate through well-developed training programs. As stated in the company's retention & development strategy leadership development, professional development, personal development assistance and MBA are strategic focuses.
3. How companies recruit and how they provide orientation in the first days on the job can be of crucial importance to keeping workers over the longer term.

Therefore the company should give orientation with regard to their work, and make clear the organization culture for new employees and internally for those who transfer to other departments laterally. To avoid termination of staffs initially Ethiopian should be able to give detailed and proper orientation including about the working environment, security, healthy and safety issues. And management staffs should create friendly environment for new comers by introducing the organization culture during the period of induction and training.

4. The company should emphasize the importance of providing “realistic job previews” to potential employees. These previews provide potential new hires with more than just a cursory glance at a company’s operations, providing the candidate with enough information to make a decision about whether it is the right workplace for her or him.
5. Most of practice used to remain employees fundamentally depends on a sound approach to communicating with employees. Without communication, many of the employee retention mechanism would be difficult to implement, or it would at least be difficult to implement them with the goal of retaining employees. Therefore management of Ethiopian should work on communicating its intentions, programs and benefits to the employees effectively. As indicated in Ethiopian airlines Five years (2008/09-2012/13) Human Resource Strategy the company deploys a communication mechanism so that both management and employees keep sharing information with each other i.e., top down as well as bottom up.
6. In order to reduce the level of employees job stress the company should endeavor to make available sufficient number of employees in each work group. The company is better to recruit sufficient number of employees so as to minimize the work load and retain those experienced employees.
7. Employee recognition program should be designed in appropriate and substantial ways; achievements on the job should be recognized to boost moral of employees that helps to create positive attitude towards their job. The company should design recognition programs such as reward, bonus or it could be in written form. The reward and recognition of employees publicly is also advisable that helps employees to increase their performance and make them loyal to the company.

8. The salary scale should be competitive comparing to other airlines for highly qualified employees like technicians, marketing staffs, and engineers.
9. At initial stage Ethiopian should be able to give detailed and proper orientation for new recruited employees about the work environment, security, health and safety issues, at least this minimize termination of staffs.
10. The working load beyond the normal 8 hours will cause employees to fade up with the job, reduces performance and cause burnout of employees. This results in low quality of service to beneficiaries/customers, and unexpected runaway of employees. Therefore, management needs to identify the cause of the work load and hire assistants or add additional employees to support the position.
11. Careful attention should be given during recruitment and selection of staffs because as the company provides free flight ticket for its employees they may use it for other purpose and abuse it.
12. The company has to revise its yearly recruitment strategy and pay system.
13. To retain its staffs the company should give equal opportunity of promotion, training and salary adjustment.

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Addis Ababa University
School of Graduate Studies
College of Education

Questionnaire for Management Staffs

The purpose of this questionnaire is exclusively for academic purpose as a requirement for fulfillment of MA degree. It's administered to assess your views about your working conditions, experience, staffs that have been working under your supervision and general working environment about your organization. The collected data will be analyzed in terms of staff turnover (Human Resource Management Practice) in Ethiopian airlines. I assure you that, all your responses will be kept in absolute confidentiality and you will not be held responsible for the research outcome.

Therefore, your genuine, frank and timely responses are quite vital to determine the success of this study. So, I kindly request your contribution in filling the questionnaire honestly and responsibly.

NB.

1. No need of writing your name;
2. Answer the alternatives by encircling your choices(s) and/or by filling the space provided for narration or descriptive questions.
3. If you are asked to fill the soft copy of the questionnaire (if you are inquired through email), please highlight (shade) your answer.
4. Please respond as accurately as possible and at your earliest possible time.

I. Personal Profile

1. Sex:

☐ M ☐ F

2. Age (Years)

☐ 18-25 ☐ 26-33 ☐ 34-40 ☐ Above 40

3. Marital Status

☐ Single ☐ Married.

4. Educational Qualification

☐ Certificate ☐ Diploma ☐ BA Degree ☐ MA Degree ☐ PhD

5. Your work experience in Ethiopian airlines

☐ 5 and under ☐ 6-10 Years ☐ 11-15 years ☐ >15 years

II. Organizational Information

1. Your current position in Ethiopian airlines

☐ Supervisor ☐ Manager ☐ Director ☐ Other

2. Your department _____

3. How did you get your current positions?

☐ Initial Employment ☐ By Promotion ☐ Other

4. How do you rate your own leadership skill?

☐ Excellent ☐ Very good ☐ Good ☐ Fair

5. Did you have human resource management practice before joining Ethiopian airlines?

☐ Yes ☐ No

6. Did you take human resource management training after joining Ethiopian airlines?

☐ Yes ☐ No

7. How do you judge the work load of your subordinates in terms of the normal working hour (i.e. 8 hours per day)?

☐ Normal ☐ Beyond capacity ☐ Under capacity

8. What do you think about the working condition of the company?

☐ Excellent ☐ Very good ☐ Good ☐ Fair ☐ Bad

9. How do you rate the relationship between bosses and subordinates?

☐ Excellent ☐ Very good ☐ Good ☐ Fair ☐ Bad

10. How do you rate your relationship with your subordinates?

☐ Excellent ☐ Very good ☐ Good ☐ Fair ☐ Bad

11. Do you feel that turnover of the skilled labor in the company is a serious problem?

☐ Yes ☐ No, ☐ I do not know

12. What is your view about the intensity of turnover?

☐ High ☐ Moderate ☐ Low ☐ I do not know

13. Did you make any exit interview when employees leave the company?

☐ Yes ☐ No, if your answer is **YES** why most of them left the company?

14. If your answer is **No** why you did not make an exit interview?

☐ Interview is conducted at HRM

☐ Employees are not interested

☐ Interviewing is time taking

15. Do you feel that there exists equal opportunity for all staffs?

☐ Yes ☐ No ☐ I do not know

16. Do you feel that staffs of this company earn adequate financial compensation to meet their need when compared to other airline companies?

☐ Yes ☐ No

17. How is grievance handled by management when it arises within the company?

☐ According to the company policy

☐ Fairly

☐ Badly

☐ I do not know

18. How do you characterize about information flow (communication system) between management and staffs at different level?

☐ Good

☐ Poof

☐ Fair

☐ I do not know

19. Do you agree that staff turnover has cost for the organization?

☐ Yes ☐ No ☐ I do not know

20. If your response is Yes for the above, which cost do you think reflected on turnover?

☐ Cost associated with the termination of the employee such as exit interview, the time for facilitating clearance, and payroll amendment.

☐ Cost associated with the employment of the new staff such as cost of advertising, interviewing....etc.

☐ I do not know

21. For recruitment of employees which media does the company use to notify potential candidates for vacancies?

☐ News paper advertisement

☐ Television

☐ Radio

☐ Other

22. Do you agree with that staff turnover has cost for the organization?

☐ Yes, I agree ☐ No, I do not agree

23. If your response for Q. 3 is "YES", which of the costs reflected on staff turnover?

☐ Cost associated with the termination of the employee such as exit interview, the time for facilitating clearance, and payroll amendment.

☐ Cost associated with the employment of the new staff such as cost of advertising, interviewing

☐ If other please specify

24. How much is (on average) cost of replacement for

☐ Advertisement

☐ Accepting application and checking references

☐ Interview (the time of interviewer in terms of cost)

☐ Other, please specify

25. What retention mechanism (strategy) the company is currently taking to reduce the turnover?

☐ Equal opportunity of promotion

☐ Salary adjustment

☐ Equal opportunity for training

☐ Other

Thank you

Addis Ababa University
School of Graduate Studies
College of Education

Questionnaire for Existing Employees

The purpose of this questionnaire is exclusively for academic purpose as a requirement for the fulfillment of MA degree. It's administered to assess your working conditions and experience related with your profession, relationship with supervisors and fellow workers, remuneration packages, and in general your observation about your company. The collected data will be analyzed in terms of staff turnover (Human Resource Management Practice) in Ethiopian airlines. I assure you that, all your responses will be kept in absolute confidentiality and you will not be held responsible for the research outcome.

Therefore, your genuine, frank and timely responses are quite vital to determine the success of this study. So, I kindly request your contribution in filling the questionnaire honestly and responsibly.

NB.

1. No need of writing your name;
2. Answer the alternatives by encircling your choices(s) and/or by filling the space provided for narration or descriptive questions.
3. If you are asked to fill the soft copy of the questionnaire (if you are inquired through email), please highlight (shade) your answer.
4. Please respond as accurately as possible and at your earliest possible time.

I. Personal Profile

1. Sex:

☐ M ☐ F

2. Age (Years)

☐ 18-25 ☐ 26-33 ☐ 34-41 ☐ >41

3. Martial Status

☐ Single ☐ Married.

4. Educational Qualification

☐ Certificate ☐ Diploma ☐ BA Degree ☐ MA Degree ☐ PhD

5. Your work experience in Ethiopian

☐ 5 and under ☐ 6-10 years ☐ 11-15 Years ☐ > 15 years

II. Organizational Information

1. Your department in the Company.

2. Your position in the Company

☐ Line staff ☐ Supervisor ☐ Manager ☐ Director

3. How would you rate your pre- placement orientation (induction) program?

☐ Excellent ☐ Very good ☐ Good ☐ Fair ☐ Bad

4. Do you feel that you are marginalized by the management?

☐ Yes ☐ No

5. How do you rate your relationship with your supervisors?

☐ Very good ☐ Good ☐ Fair ☐ Bad

6. How do you rate the relationship between supervisors and subordinates?

☐ Very good ☐ Good ☐ Fair ☐ Bad

7. How do you rate the leadership skill of your boss?

☐ Very good ☐ Good ☐ Fair ☐ Bad

8. How is the work load in terms of normal working hours (i.e. 8 hour per day)?

☐ Normal ☐ Beyond capacity ☐ Under capacity

9. How is your responsibility in terms of your professional capacity?

☐ Within my capacity ☐ Beyond my capacity ☐ Below my capacity

10. How do you rate the condition of the working environment?

☐ Very good ☐ Moderate ☐ Fair ☐ Bad

11. Was there any discrimination between your colleagues and you, in respect of

- | | | |
|------------------------------------|--------|--------|
| ☐ Salary | i) yes | ii) no |
| ☐ Treatment | i) yes | ii) no |
| ☐ Workload | i) yes | ii) no |

12. Do you think that the salary that you get compensate your work load?

- ☐ Yes ☐ No

13. If there is any **enforcing factor** that cause you to resign, which one will be your reasons for resignation? (Please fill your reasons on the space provided)

- ☐ Leadership problems (_____)
- ☐ Due to family problem (e.g. Marriage _____)
- ☐ Unfavorable condition of Security (e.g. War _____)
- ☐ Dissatisfaction with the job (e.g. Boring, No Promotion _____)
- ☐ Better opportunity in other organization (e.g. Salary, Promotion _____)
- ☐ Dissatisfaction with the area /place of work _____
- ☐ Educational opportunity _____

14. How is grievance handled by management whenever it arises within the company?

- ☐ According to the company policy
- ☐ Fairly
- ☐ Badly
- ☐ I do not know

15. How do you characterize about information flow (communication system) between management and staffs at different levels?

- ☐ In good manner
- ☐ Poor
- ☐ Fairly
- ☐ I do not know

16. Do you feel that there exists equal opportunity of promotion for all staffs?

☐ Yes

☐ No

17. Do you feel that staffs of this company earn adequate financial compensation system to meet their need when compared to other airlines companies?

☐ Yes

☐ No

18. What retention mechanism do you suggest that the company has to take?

☐ Good management system

☐ Salary adjustment

☐ Creating a good working environment

☐ Others

Thank You

Addis Ababa University
School of Graduate Studies
College of Education

Questionnaire for Terminated Employees

The purpose of this questionnaire is exclusively for academic purpose as a requirement for the fulfillment for MA degree. It's administered to assess your views about your previous working conditions and experience related with your profession, relationship with supervisors and fellow workers, remuneration packages, and in general your observation about your company. The collected data will be analyzed in terms of staff turnover (Human Resource Management Practice) in Ethiopian airlines. I assure you that, all your responses will be kept in absolute confidentiality and you will not be held responsible for the research outcome.

Therefore, your genuine, frank and timely responses are quite vital to determine the success of this study. So, I kindly request your contribution in filling the questionnaire honestly and responsibly.

NB.

1. No need of writing your name;
2. Answer the alternatives by encircling your choices(s) and/or by filling the space provided for narration or descriptive questions.
3. If you are asked to fill the soft copy of the questionnaire (if you are inquired through email), please highlight (shade) your answer.
4. Please respond as accurately as possible and at your earliest possible time.

I. Personal Profile

1. Sex:

☐ M☐ F

2. Age (Years)

☐ 18-25☐ 26-33☐ 34-41☐ >42

3. Marital Status

☐ Single ☐ Married.

4. Educational Qualification

☐ Certificate ☐ Diploma ☐ BA Degree ☐ MA Degree ☐ PhD

5. Your work experience in Ethiopian airlines

☐ 5 and under ☐ 6-10 Years ☐ 11-15 years ☐ > 15 years

II. Organizational Information

1. What was your department when you were in Ethiopian airlines? _____

2. Your position in Ethiopian at the time of resignation.

☐ Line staff ☐ Supervisor ☐ Manager ☐ Director

3. How would you rate your pre-placement orientation (induction) program?

☐ Very good ☐ Good ☐ Fair

4. Did you feel that you were marginalized by the management?

☐ Yes ☐ No

5. How was your relationship with your supervisor?

☐ Very good ☐ Good ☐ Fair ☐ Bad

6. Have you ever made any grievance on your immediate boss?

☐ Yes ☐ No.

7. If yes, what was your feeling on the response?

☐ Dissatisfied ☐ Satisfied ☐ Satisfactory ☐ Indifferent

8. Do you think that you had been paid well?

☐ Yes ☐ No.

9. How was the work load in terms of normal working hours (i.e. 8 hours per day)?

☐ Normal ☐ beyond capacity ☐ Below capacity

10. How was your responsibility in terms of your professional capacity?

☐ Below my capacity ☐ within my capacity ☐ beyond my capacity

11. How was the work environment that you were working?

☐ Very good ☐ Moderate ☐ Fair ☐ Bad

12. Do you think that the condition of the working environment had impact for your resignation?

☐ Yes ☐ No

13. Was there any discrimination between your colleagues and you, in respect of

☐ Salary i) yes ii) no

☐ Workload i) yes ii) no

☐ Treatment i) yes ii) no

14. How was the relationship between your boss and subordinates?

☐ Very good ☐ Good ☐ Fair ☐ Bad

15. How do you rate the leadership skill of your boss?

☐ Good ☐ Fair ☐ Bad

16. How do you rate the benefits and compensation of Ethiopian in comparison with other airline companies?

☐ Very good ☐ Good ☐ Fair ☐ Bad

17. Reasons for your resignation from Ethiopian (more than one selection are possible.)

☐ Leadership problem

☐ Due to family problem

☐ Lack of favorable working conditions/ Dissatisfaction with the job

☐ Unfavorable condition of security

☐ Better opportunity in other organization in terms of _____
educational opportunity

18. What retention mechanism does you recommendations for the company?

☐ Equal opportunity of promotion

☐ Salary adjustment

☐ Improving management system

☐ Bosses should respect their subordinates

Thank You

ETHIOPIAN AIRLINES EXIT INTERVIEW FORM

steps to assure my workplace was safe and secure.

18. Management usually resolved problems and complaints promptly.

19. How long did you work for the company?

- ☐ Less than 1 year
- ☐ 1 to 5 years
- ☐ 6 to 10 years
- ☐ 11 to 15 years
- ☐ 16 to 20 years
- ☐ 21 to 24 years
- ☐ 25 years and more

20. What is your position?

- ☐ Pilot or Co-Pilot
- ☐ Cabin Attendant
- ☐ Maintenance and Overhaul
- ☐ Ticketing, Sales and Promotion
- ☐ Airport Handling
- ☐ Other Cockpit Personnel
- ☐ Others

21. What is your main reason for leaving?

- ☐ Termination of employment
- ☐ Personal growth or a better opportunity elsewhere
- ☐ Personal life reasons
- ☐ Disagreement with supervisor

☐ Others - please describe your reason here:

22 Did you return all company property and files to your supervisor before leaving?

☐ Yes

☐ No

23 Are you aware of any violations in the following areas or do you have evidence of wrong doing during the time of your employment? Please, identify which area and describe the situation in the box provided below.

☐

Safety

☐

Security

☐

Harassment

☐

Discrimination

☐

Policy

☐

Fraudulent Conduct

☐

Accounting Improprieties

☐

Other Wrongdoing

☐

I am not aware of any wrongdoing

25. What has been good/enjoyable/satisfying for you in your time with **Ethiopian**?

26. What has been frustrating/difficult/upsetting to you in your time with **Ethiopian**?

27. What could you have done better or more for Ethiopian had we given you the opportunity?

28. What extra responsibility would you have welcomed that you were not given?

—

29. How could the organization have enabled you to make fuller use of your capabilities and potential?

30. What improvements do you think can be made to customer service and relations?

31. How would you describe the culture or 'feel' of the organization?

32. (For recent recruits of less than two years or so:) What did you think about the way we recruited you? How did the reality alter from your expectations when you first joined **Ethiopian**? How could we have improved your own recruitment? How could your induction training have been improved?

34. What can you say about the way your performance was measured, and the feedback to you of your performance results?

35. What would you say about how you were motivated, and how that could have been improved?

36. What, if any, ridiculous examples of policy, rules, instructions, can you highlight? What would you suggest to improve this policy, rules & instructions?

37. What, if any examples of ridiculous waste (material or effort), pointless reports, meetings, bureaucracy, etc., could you point to?

38. What can the organization do to retain its best people (and not lose any more like you)?

39. Are you happy to say where you are going (if you have decided)?

40. What particularly is it about them that make you want to join them?

41. What, importantly, are they offering that we are not?

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