

# ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# THE EFFECT OF JOB SATISFACTION ON EMPLOYEE INTENT TO LEAVE AND ABSENTEEISM IN THE CASE OF HILTON ADDIS ABABA

BY SOLOMON MITIKU

> JUNE 2016 ADDIS ABABA, ETHIOPIA

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A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (GENERAL MANAGEMENT)

> JUNE 2016 ADDIS ABABA, ETHIOPIA

## **ST.MARY'S UNIVERSITY**

# SCHOOL OF GRADUATE STUDIES FACULTY OF BUSINESS

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# **Statement of Declaration**

I Solomon Mitiku, hereby declare that the work entitled **the effect of job satisfaction on employee intent to leave and absenteeism** in the case of Hilton Addis Ababa is the outcome of my own effort and study and that all sources of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of my research advisor Dr. Solomon Markos. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the award of Master degree in Business Administration.

Solomon Mitiku

Date

# **Letter of Certification**

This is to certify that Solomon Mitiku has carried out this project work on the topic **the effect of job satisfaction on employee intent to leave and absenteeism** in the case of Hilton Addis Ababa under my supervision. This work is original and suitable for the submission in partial fulfillment of the award of Master degree in Business Administration.

Dr. Solomon Markos

Date

Research Advisor

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Solomon Mitiku

# **Acronyms and Abbreviations**

HR=Human Resource

N=Number of Respondents

SPSS = Statistical Package for Social Science

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## Abstract

This study about the effect of job satisfaction factors on employee intent to leave and absenteeism in Hilton Addis Ababa. Questions were asked related to job satisfaction factors and employee intent to leave and absenteeism. The study employed quantitative and qualitative research design methods. Stratified and simple random sampling techniques were used to select the sample size from the population. Among a total of 652 permanent employees currently working, 111 employees were selected as the sample of the study. In order to collect primary data, questionnaires were distributed to 111 employees and 98 respondents filled and replied, in addition to questionnaires, interviews were conducted with human resource managers to gather data. Data collected through questionnaire were analyzed using SPSS Window 20.0 version. The tests involved are frequency distribution, descriptive statistics, Pearson Correlation Coefficient, ANOVA and Regression. The result of the descriptive statistics indicated that the majority of employees are dissatisfied with pay, promotion and fairness. The correlation result showed that all the job satisfaction factors except coworkers have a negative relationship with intent to leave and absenteeism. As per the result of regression analysis satisfaction with pay and fairness are negatively related with employee intent to leave and absenteeism; this two job satisfaction factors has a significant impact on the employee intent to leave and absenteeism. Based on the findings result, it is advisable that the organizations have to revise its compensation or monetary reward or payment scale in accordance with labor market, living expenses of the societies and comparing with similar industries by including competitive pay scale, seeing other Hilton hotels benefit packages and the management of the hotel should fairly treat all employees and should implement equal and fair employee handling mechanisms.

# CHAPTER ONE INTRODUCTION

This introductory chapter is intended to provide information concerning an overview of the study. It involves background of the study, statements of the problems and research questions, objectives, (general and specific objectives), significance, scope and limitation of the study. Also it includes the definition of important terms and the organization of thesis.

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

Human Resources Management aims to increase organizational effectiveness and capability the capacity of an organization to achieve its goals by making the best use of their sources available to it. Without having competent employees any organization cannot reach its intended goal. According to Rodney (2007), Human Resources (HR), the people employed by an organization and the use of their skills in that organization is readily acknowledged as the greatest resource that any organization possesses. Human Resource (HR), the people are the most important asset of an organization. It is only through people that other resources of an organization cannot attain intended goals and objectives. This is the main reason why employees are being hired in an organization. As said by Baron and Armstrong (2007), the concept of human capital is concerned with the added value that people provide for organizations and the actual basis for competitive advantage as well as an important element of the intangible assets of an organization. As a result, effective human resource management is very important to retain and utilize employees who are well trained and well experienced for organizational goal attainment and its success in all dimensions.

There are different challenges for human resource management in an organization. Employee intent to leave and absenteeism, which will be the main point of this study, is one of the human resource management challenges that affect the productivity and efficiency of the organization.

This is; therefore, having the well experienced and skilled employees at the same time reducing the absenteeism in the hospitality industries like in the Hilton Addis Ababa plays a significant role to lead industries and to give a competent and valuable service for the guests.

Having of a competent employee, whether professional, skilled or unskilled is a major issue in every kind of organizations. It is a challenge for the management of many organizations especially in the hospitality industries. In Ethiopia Hospitality industry is one of the fastest growing industry sectors as a result many local and international hotels have been opened and joined in to the business. Therefore in order to stay in to the business and to be a leading figure in the industry every organization should have a proper, experienced & educated employee. And these employees is become a key factor for the success and growth and also for the organizational effectiveness.

The purpose of this research is, to show that the effect of job satisfaction on employee intent to leave and absenteeism in Hilton Addis Ababa, and to provide information for the management about the strength and weakness of the existing job satisfaction factors that leads intent to leave and absenteeism.

To conduct this research the researcher selected Hilton Addis Ababa which is located the heart of the political capital of Africa and near Bole International Airport. This landmark hotel in Ethiopia, which is inspired by the famous Lalibella Cross Church, is the only hotel with geothermal outdoor swimming pool, an 18-hole mini golf, a squash court and a parking space for more than 650 cars and also there are 372 different types of rooms.

Hilton Addis Ababa first opened its doors in 1969 with an introductory ceremony for the ages led by Emperor Haile Selassie who helped celebrate the launch of the hotel by hosting international dignitaries and diplomats while using the special occasion to introduce international hospitality to Ethiopia. From that early significant opening, Hilton Addis Ababa has been part of the Addis Ababa city landscape and a leading member of the city's community for 45 years, and has proudly witnessed the capital's development into the economic powerhouse.

Hilton Addis Ababa has many unique characteristics designed to reflect the pride, they have in Ethiopia and in the capital. The building showcases the unique architectural style of the famous Ethiopian Lalibela Church, globally recognized by UNESCO as an important Historic Heritage Site. The renowned hotel swimming pool was specially designed to mirror the Lalibela Cross and is, uniquely, the only geothermal spring water pool, providing a rare and distinctive attraction for hotel visitors as well as local residents.

The total number of the permanent or fixed term employees is 652 including of both management and non-management staffs and around 150 casual or temporary staffs. The casual or the temporary staffs are working when there is a special event or meetings or weeding ceremonies in the hotel. (DAGU September 2015 Hilton quarterly newsletter).

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## **1.2 Statement of the Problem**

Human resource is viewed as a vital company's asset, because the achievement of company's objective is determined by human resource in a company. The loyal employees are the most productive and a source for the development of the organization and they satisfy by their job also serve their organization for many years. Different research shows that job satisfaction has an inverse relationship with employee intent to leave and absenteeism (Luthans 1995; Egan, Yang & Bartlett, 2004)

For the past five years due to the advancement of hotel and hospitality industry in Ethiopia; a lot of local and international hotels have been opened, as a result employee intent to leave becomes a serious management problem in Hilton Addis Ababa and also due to the unsatisfied with job employee absenteeism increased time to time.

Since Hilton Addis Ababa is the first international Hotel in Ethiopia and it has the age of more than 45years, most of the new opening hotels are eager to take the skilled and experienced employees from them. Losing of this skilled and experienced employees; and absenteeism from the job costing the hotel in terms of delay in quality service delivery, in the preparation of quality, tasty and the international standard foods, in handling and treating of both local and foreigner customers, and also incurring a high cost and time to replace and train new comer employees to go with the standard of the hotel.

The last five years of employee turnover data obtained from the hotel's HR office indicate that among the total of 652 employees are 6%, 5.38%, 7.07%, 9.53% and 11.23% for the years of 2011, 2012, 2013, 2014 and 2015 respectively. The figure clearly shows that the increasing of employee turnover in the hotel.

More employee intent to leave is observed in the Group, event & conference department, sales department, front office department, Kitchen department and food and beverage department which are the major operation areas of the hotel.

The consequences of this high employee intent to leave and absenteeism have a great impact on the hotel performance, standard and revenue. The Ministry of Culture and Tourism has given star rating for the local and international hotels across in Addis Ababa City hotels in two rounds in August & November 2015. The rate was given starting from zero star up to five stars. Even if Hilton Addis Ababa is the first international hotel in our country and it has been seen that by many of the hoteliers as a University of hotel industry, in the first round of the star rating four stars was given. Again after the hotel management raised a complaint in the first star rating in the second round it goes down to the three stars.

Some of the mandatory criteria of star rating are bedrooms cleanness, bath room & rest room cleanness, restaurant service & cleanness, food preparation & preparation area cleanness, swimming pool, car parking area, sustainability of the hotel service, having of trained & adequate employees, security and employee treatment. (http://www.ena.gov.et/en/ Accessed on 09-Aug-15, 07-Nov-15; Addis Fortune Vol. 16, Published on 07 August 2015). Most of these criteria are much more related to the employees' activities and duties. Due to the lowering in the grading some of the high class customers & potential users may shift to other hotels as a result the hotel revenue may reduce.

Thus, this research attempted to fill this gap via examining the effects of job satisfaction with pay, nature of work, supervision, fairness, coworkers, and promotion opportunity on employees' intent to leave and absenteeism.

## **1.3 Basic research Questions**

In line with the research problem this study addressed the following research questions:-

- a) What are the employee's perceptions with respect to job satisfaction factors?
- b) What are the causes of employee turnover & absenteeism?

c) What are the effects of job satisfaction on employee's intent to leave and absenteeism?

## **1.4 Objective of the Study 1.4.1 General Objective**

The main objective of this research was to identify the major causes of employee intent to leave & absenteeism, assessing job satisfaction factors and provide possible ways in order to reduce the turnover and absenteeism in Hilton Addis Ababa.

## **1.4.2 Specific Objective**

In the way of addressing its major objectives, the research specific objectives were:

- Assess the perception of employee's on job satisfaction factors.
- Identify the causes of turnover & absenteeism.
- To determine the relationship between job satisfaction and the intent to leave and absenteeism.
- To investigate the effect of job satisfaction on employees intent to leave and absenteeism.

## **1.5 Significance of the Study**

The importance of this research help the management of Hilton Addis Ababa , as a primary concerned body in retaining value adding employees, through examining factors which have an effect on job satisfaction and consequently on the hotel's employees' turnover intention and absenteeism and to recommend proper means of addressing them, accordingly. In addition the following benefits obtained from the research:

- > The result give lesson to the situation of other similar hotels in the sector;
- It can contribute to the existing knowledge and practice of retaining of employees through job satisfaction in the context of both local and international Ethiopian hotels;
- It will serve as a baseline for subsequent researches on the impacts of job satisfaction on employees' turnover intention and absenteeism.

## **1.6 Scope of the Study**

The scope of this study has the following delimitations:-

- The research was focused on the effect of job satisfaction with pay, nature of work, supervision, fairness, coworkers, and promotion opportunity which is internal to the organization and under the influence of the hotel's management.
- Even if Employees' turnover is a wide concept the research focused only the voluntary or intent to employee turnover.
- The scope of the project is limited only to the permanent employees of the hotel; it didn't include the casual employees.

## 1.7 Limitation of the Study

Although this study tried to cover the effect of job satisfaction on employee intent to leave and absenteeism in Hilton Addis Ababa, it may have some limitations. The first limitation is associated with the sample itself. There is a possibility that sample units might not express the actuality of the total population. Other limitation expected like some sample units who are very loyal to the Hotel might hide the limitation from the organizations' side, and some sample units expected to hide some facts. The other one is few respondents was not able to return a questionnaire in due time and it was a difficult task to wait until all return as intended. Hence, these limitations have a negative impact on the quality of the subject study.

## **1.8 Definition of Terms**

The study used some important words or phrases that related to the research objectives to describe some of the terms in this study. The definitions are as follow:-

#### a. Turnover intention

It is one's behavioral intention to resign. It refers to the deliberate consciousness of the workers to leave their current organization.

### b. Job Satisfaction

Job satisfaction is a set of favorable and unfavorable attitudes with which employees view their work. It expresses the amount of agreement between the employee expectations from the job and rewards that the job actually offers.

### **c.** Promotion

It is the movement of a person to higher level position in the organization. It is also defined as the assignment of an employee to a higher level job within an organization.

### d. Working Environment

It entails that all activities that take place in organizational working area and if not managed properly it leads to employee turnover.

#### e. Supervision

Supervision is the process of planning, directing, controlling and organizing the work of others through face to face contact with subordinates. The supervision in this study means that the advice and observation that the managers provide to their subordinate to help them to perform a better job.

#### f. Demographic Factors

Demographic factors are personnel characteristics of employees. These characteristics are include; age, gender, qualification, marital status, working experience or tenure and they may cause employee turnover.

## **g.** Job Scope

Job scope can be defined as the density and challenges of the job contents. Job scope may depend upon some factors. One of the possible factors of job scope is the strength of the growth need.

## **1.9 Organization of Thesis**

The study consists of five chapters in each chapter the issue has been discussed in detail. Chapter one is an introduction that concerning the various important parts such as study background, statement of the problem, clarification of the general and specific objectives of the study, scope, significance and limitation of the study. Chapter two covers a review of related literatures which includes; definition, types, factors of job satisfaction and causes of employee turnover intention and absenteeism, study framework and hypothesis of the study. Chapter three contains research methodology which involves research design, data type and source, study population, sampling techniques, data analysis, and variable and measurement description. The result of analysis and findings developed are presented in Chapter four. The final chapter, chapter five encompasses a summary of the study and findings and recommendations for the organizations and further study.

# CHAPTER TWO REVIEW OF RELATED LITERATURE

This chapter deals with the literature relevant of the study. It includes both theory and empirical evidences related to the previous studies and also the frame work of the study.

# **2.1 Theoretical Literature**

## 2.1.1 Overview of Job Satisfaction

Research indicates that employee satisfaction is important to an organization's success. It is a widely studied construct in organizational behavior as it influences other organizational variables like productivity, turnover and absenteeism. Atchison (1999) states that many organizations are spending much time on employee satisfaction initiatives in an effort to reduce turnover, improve productivity and to help organizations succeed.

Robbins (2005) said managers have a humanistic responsibility to provide employees with jobs that are challenging, rewarding and satisfying. According to Alavi and Askaripur (2003), there are at least three reasons why managers must focus on the job satisfaction of its employees:

- > Evidence suggests that unsatisfied individuals leave organizations.
- Satisfied employees are in better health and have longer life expectancy. Connolly and Myers (2003) further maintain that a lack of job satisfaction has been associated with symptoms like anxiety, depression and poor physical and psychological health, which have concomitant consequences for absenteeism and commitment.
- Job satisfaction in the workplace also affects individuals' private lives which in turn has an effect on absenteeism and other important work-related attitudes and behavior.

## 2.1.2 Job Satisfaction Definition

Job satisfaction is generally regarded as an employee's attitude toward the job and job situation. Spector (1997) defines job satisfaction simply as "the degree to which people like their jobs." Some people therefore enjoy work and consider it a central part of their lives while others do so only because they have to.

Spector (1997) defines also job satisfaction simply as "the degree to which people like their jobs and the different aspects of their jobs." Job satisfaction is also defined as a response towards various aspects of one's job that is a person can be relatively satisfied with one aspect of his or her job and dissatisfied with other aspects (French, 1998; George & Jones, 2002; Kreitner & Kinicki, 2001).

## 2.1.3 Factors Influencing Job Satisfaction

Job satisfaction is a complex variable and is influenced by factors of the job environment as well as dispositional characteristics of an individual. These factors can be categorized in to extrinsic and intrinsic factors as per (Buitendach & De Witte, 2005).

The extrinsic factors include things like pay, promotion opportunities, co-workers, fairness, supervision and recognition. Intrinsic factors include personality, education, intelligence and abilities, age and marital status (Mullins, 1999); according to Spector (1997) these categories of factors often work together to influence job satisfaction.

## 2.1.3.1 Extrinsic Sources of Job Satisfaction

Extrinsic sources of job satisfaction are determined by conditions that are beyond the control of the employee (Atchison, 1999). The following factors will be discussed, namely, pay, the job itself, promotion opportunities, supervision, co-workers, working conditions and the issue of fairness.

#### a. Pay

Pay refers to the amount of compensation received for a specific job (Robbins et al., 2003). Luthans (1995) noted that "wages and salaries are recognized to be a significant, but complex, multidimensional predictor of job satisfaction."

Spector (1996) postulates that "it is the fairness of pay that determines pay satisfaction rather than the actual level of pay itself." If an employee's compensation is therefore perceived to be equitable, when compared to another person in a similar position, satisfaction might be the likely result

#### b. Job or the work itself

According to Luthans (1995), the content of the work performed by employees is a major predictor of job satisfaction. Not surprisingly, "research is fairly clear that employees, who find their work interesting, are more satisfied and motivated than employees who do not enjoy their jobs" (Gately, 1997 as cited by Aamodt, 2004). Employees tend to prefer jobs which afford them the opportunity to apply their skills and abilities, offer them variety and freedom as well as jobs where they get constant feedback on how well they are doing (Robbins, 2005). Hence, it is

important for managers to take innovative steps to make work more interesting in order to increase the levels of job satisfaction of employees.

Furthermore, if a job is highly motivating, employees are likely to be satisfied with the job content and deliver higher quality work, which in turn could lead to lower rates of absenteeism (Friday & Friday, 2003). Fox (1994) as cited by Connolly and Myers (2003)

### c. Promotion opportunities

According to Friday and Friday (2003), satisfaction with promotion assesses employees' attitudes toward the organization's promotion policies and practices. In addition to this, Bajpai and Srivastava (2004) postulate that promotion provides employees with opportunities for personal growth, more responsibilities and also increased social status.

Robbins (1989) maintains that employees seek promotion policies and practices that they perceive to be fair and unambiguous and in line with their expectations. Research indicates that employees who perceive that promotion decisions are made in a fair and just manner are most likely to experience job satisfaction.

### d. Supervision

Research indicates that people who enjoy working with their supervisors will be more satisfied with their jobs (Aamodt, 2004). Furthermore, a study by Bishop and Scott (1997) as cited by Aamodt (2004) found that satisfaction with supervisors was related to organizational and team commitment, which in turn resulted in higher productivity, lower turnover and a greater willingness to help.

#### e. Co-Workers

Another dimension which influences job satisfaction is the extent to which co-workers are friendly, competent and supportive (Robbins et al., 2003). Research indicates that employees who have supportive co-workers will be more satisfied with their jobs (Aamodt, 2004; Robbins, 1989; 2005). This is mainly because "the work group normally serves as a source of support, comfort, advice and assistance to the individual worker" (Luthans, 1995).

#### f. Working conditions

Working conditions is an extrinsic factor that has a moderate impact on an employee's job satisfaction (Luthans, 1995). Working conditions refer to such aspects as temperature, lighting, noise and ventilation. Robbins (1989) states that employees are concerned with their work environment for both personal comfort and for facilitating good job performance. According to

Spector (1997), research has shown that employees, who perceive high levels of constraints in terms of their work environment, tend to be dissatisfied with their jobs.

### g. Fairness

One factor related to job satisfaction is the extent to which employees perceive that they are being treated fairly (Aamodt, 2004). According to Robbins (1989), employees seek for policies and systems that they perceive to be fair as this will likely result in an increase in job satisfaction.

## 2.1.3.2 Intrinsic Factors of Job Satisfaction

Intrinsic sources of job satisfaction primarily come from within the individual and are essentially longer lasting than the extrinsic sources (Atchison, 1999). These sources are generally intangible, such as employees feeling a sense of pride in their work as well as individual differences such as personality.

## 2.1.4 The Consequences of Job Satisfaction

Job satisfaction is an extremely important area from an organizational perspective. This is because of its correlation with other variables such as job motivation, organizational commitment, performance, turnover, and absenteeism that have a direct impact on an organisation's effectiveness. All these consequences are probable if there is a lack of job satisfaction which can be costly and disruptive to the organization. Consequently, there is a low level of commitment to performance and the achievement of organizational goals. This is evident by reduced productivity, high absenteeism, labour unrest, industrial action and increased labour turnover. According to Spector 1996 and Carrell, et al. 1999 Job satisfaction has also impact on to health and well-being.

The consequences of job satisfaction identified above will now be discussed:-

## Job Satisfaction and Motivation

A meta-analysis of nine studies and 2,237 employees showed that there was a positive relationship between motivation and satisfaction. There was also a correlation between satisfaction with supervision and motivation. This shows that the behaviour of managers affects employee satisfaction (Kinicki, Schriesheim, McKee, Carson, 1997).

#### **Job Satisfaction and Organisational Commitment**

A meta-analysis of 68 studies and 35,282 people found a strong relationship between commitment and satisfaction (Tett and Meyer, 1993). By increasing job satisfaction employees will be more satisfied and more committed to the company. Consequently, higher commitment will facilitate higher productivity (Mathieu and Zajac, 1990).

## Job Satisfaction and Job Performance

Whilst there is sufficient evidence to show that performance and satisfaction are related, there are two contrasting arguments. The first is that satisfaction may lead to performance. In other words, people who are happy put more effort into work, work harder and therefore perform better. The second is that performance results in satisfaction. People who perform better are more likely to receive rewards resulting in improved satisfaction (Spector, 1996).

#### **Job Satisfaction and Turnover**

Higher job satisfaction has been linked to lower staff turnover (Newstrom and Davis, 1993:199). Many studies have revealed that dissatisfied employees are more likely to quit their jobs than satisfied employees (Hulin, Roznowski and Hachiya, 1985; Crampton and Wagner, 1994; Vecchio, 2000). However, Judge (1993) states that a person's general disposition towards life impacts the satisfaction-turnover relationship. This implies that if two people were equally unhappy at work, the person who has the highest tendency to be satisfied in general will be more inclined to leave. Furthermore, Luthans (2005,) affirms that there are other factors that can influence a person to leave besides job satisfaction. Some people cannot see themselves changing jobs so they remain in a job even if they are unhappy.

Another factor is the economy: when the economy is good and there is little unemployment, then there is an increase in turnover because people will look for better opportunities in other organisations. This may happen even if the individual is happy but the opportunity elsewhere seems more promising. Alternatively, if there are few jobs available and downsizing and mergers are occurring, dissatisfied employees will stay in their current jobs. The effect of employee turnover is two-fold. On the one hand, replacing a worker is expensive, remaining employees maybe de-motivated and their work schedules may increase until a replacement is found. The reputation of the organisation is also at risk. However, turnover could provide opportunities for internal promotion and also the injection of new skills by new employees. If the turnover is among poor performers then the change is actually to the benefit of the organisation (Newstrom and Davis, 1993; Carrel, et al. 1999; Vecchio, 2000).

#### Job Satisfaction and Absenteeism

Intuition would suggest that people who are unhappy at work are more likely to stay away from work than those who are happy. However, research has proved otherwise (Spector, 1996). The link between satisfaction and absence is prevalent only under certain conditions (Spector, 1996:234). According to Hackett and Guion (1985), absence was more highly correlated with some satisfaction factors. In particular, it had the highest correlation with the nature of work. Kohler and Mathieu (1993) suggest that the reason for this is that a person could be absent for many reasons some of which may be associated with job satisfaction and others not. For example, if one stays away because one is unhappy at work, then it is plausible to relate satisfaction and absence, but it is not likely to be related to absence caused by an illness. Thus, overall absenteeism cannot be linked with satisfaction. Robbins (2001) states that whilst satisfaction. For example, if an organisation offers sick leave with no penalties, then even satisfied employees may be tempted to take time off, even though they may not be sick. Clegg (1983), states that while high job satisfaction may not necessarily lead to low absenteeism, low job satisfaction is more likely to result in absenteeism.

#### Job Satisfaction and Health and Well-Being

Although some studies have reported that dissatisfied employees have more health problems (Begley and Czajka, 1993; O'Driscoll and Beehr, 1994), others have argued that this could be due to the personality of the employee, rather than related to dissatisfaction at work (Brief, Burke, George, Robinson, and Webster, 1988). Dissatisfaction may impact an employee's health but there is insufficient evidence to support this claim (Spector, 1996).

### 2.1.5 Relationship of Job Satisfaction with Turnover and Absenteeism

According to (Spector, 1997) job satisfaction is work related research topic in the field of organizational psychology, organizational behavior and in the industrial area. Spector, (1997) also clarify the association between job satisfaction and turnover intention of employees. Employees often think to leave their job; they often make comparison of their current job with the others and evaluate the alternatives which they can get by leaving their recent job. According

to (Blau, 1987) researchers have proved that job satisfaction has direct influence over the turnover intention.

Various studies have also attempted to examine the relationship between absenteeism and job satisfaction, as absence is commonly viewed as one of the means of withdrawal from stressful work situations. According to Luthans (1995), research has generally revealed a consistent inverse relationship between job satisfaction and absenteeism. Dissatisfied employees are more likely to miss work; absenteeism is a complex variable and is influenced by multiple factors (Robbins, 1998; Spector, 1997).

#### 2.1.6 Employees' Turnover Intention

Employee's turnover intention or intention to leave is a depraved feeling or need of employee's to leave organizations which are working in (Zahid H.B., 2013). Turnover intention has been widely used in many researches as an appropriate dependent variable as it is linked with actual turnover.

Employee turnover is one of the major concerns of HR practitioners since resignation of value contributing employees affects the performance and competitiveness of the organization. That is why many researches could be conducted. According to Dr. Gabriel et al (2012) as cited in (Abbasi et al, 2000) employees are seen as a major contributor to organizations competitive advantage and to maintain this advantage employee turnover should be discouraged by management. Those organizations which are ignorant to employee turnover problem or retention of employees, they will get difficulty in achieving organizational objectives.

#### **2.1.7 Types of Turnover**

#### 2.1.7.1 Voluntary and Involuntary Iurnover

#### a. Voluntary turnover

When employees leave an organization at their own decision, it is referred to as voluntary turnover (Curran, 2012). According to this definition the turnover is initiated by the choice of the employee. Abdali (2011), stated voluntary turnover as "The turnover in which employee has own choice to quit or instances of turnover initiated at the choice of employees".

According to Nawaz, Rahman and Siraji (2009), Voluntary Employee Turnover means when an employee leaves the company with his own intension. It might be due to better job opportunity, existing job dissatisfaction, bad working conditions or negative behavior of supervisor. This

indicates that voluntary turnover is caused by better job opportunity from other organizations, existing job dissatisfactions due to different factors in the current organization, bad working condition in the current organization, and unenthusiastic behavior of manager in the current organization.

#### **b. Involuntary Turnover**

Involuntary Turnover is the turnover initiated by the organization (often among people who would prefer to stay (Ronra and Chaisawat, 2009). This type of turnover occurs when manager of the organization decides to terminate its relationship with an employee due to organizational bankruptcy or a poor fit between the employee and the organization. Involuntary turnover can be defined as "The turnover in which employees have no choice in their termination e.g. sickness, death, moving abroad or employer's initiated termination" (Abdali, 2011). As per this explanation the turnover is initiated by the natural phenomenon or by the organization itself.

#### **2.1.7.2 Functional and Dysfunctional Turnover**

Functional turnover can be defined as "a turnover in which poor performers leave" while Dysfunctional turnover can be defined as "a turnover in which good performers leave" (Abdali, 2011). The poor performer employee can leave the organization in any means and this situation is functional turnover because, the poor performer employees can be invaluable for the organization. When these poor performer employees leave the organization, the company can benefited by cutting unnecessary costs that incurred for that poor performer employees. But, when good performer employees leave the organization it negatively influences the organization by losing employees who benefit that organization.

#### 2.1.7.3 Avoidable and Unavoidable Turnover

Unavoidable turnover results from life decisions that extend beyond an employer's control, such as a decision to move to a new area, death, permanent disability, regular retirements or a job transfer for a spouse. Avoidable turnover is something organizations can prevent by hiring, evaluating and motivating their employees more effectively (Curran, 2012).

#### 2.1.7.4 Internal and External Turnover

Turnover can be classified as 'internal or 'external'. Internal turnover happens when employees send-off their current position and getting a new position within the same organization. It is related with the internal recruitment where organizations filling the vacant position by their employee. According to this definition, when employees of the organization move from one position to another position or from one department to another department or within the same organization, the employee leaves the position or the department and the movement is known as internal turnover. However, external turnover is the separation of employees and employer voluntary or involuntary.

#### 2.1.7.5 Skilled and Unskilled Turnover

Unskilled positions often have high turnover, and employees can generally be replaced without the organization or business incurring any loss of performance. On the other hand skilled and educated positions may create a risk to the organization while leaving. Therefore, turnover for skilled and educated professionals leads for incurring replacement costs as well as competitive disadvantage of the business (Abdali, 2011). In accordance of this definition, when inexperienced, unqualified, inexpert, and untalented employees leave the organization, the turnover is termed as unskilled turnover and vice versa.

### 2.1.8 Absenteeism

Absenteeism is defined as "an unplanned, disruptive incident and can be seen as non-attendance when an employee is scheduled for work" (Van der Merwe & Miller, 1988). Milkovich and Boudreau (1994) further define absenteeism as "the frequency and/ or duration of work time lost when employees do not come to work." Johnson, Croghan and Crawford (2003) posit the view that absence is attributed to illness or injury and accepted as such by the employer.

## 2.1.9 Types of Absenteeism

Van der Merwe and Miller (1988) classify absenteeism into three broad categories that help to understand the nature of this phenomenon. They are:

#### a. Sickness absence

Sickness absence is a category where employees claim ill health as their reason for absence. Requirements regarding medical/doctor's certificates vary and are determined by company policy or the Basic Conditions of Employment Act (BCEA). The Basic Conditions of Employment Act 75 (1997) stipulates that a certificate needs to be produced after two days of sickness absence. Most managers have found that certification is not a guarantee of genuine absence as it has become easy for people to gain access to medical certificates. Van der Merwe and Miller (1988) maintain that "having a critical attitude to short sick absence, and indicating to

employees that their absence behaviour is regularly monitored, is likely to result in a better norm of attendance."

#### **b.** Authorized absence

Absence with permission is where employees provide an "excuse" for their absence whether that is for holidays, study leave, special leave and the like. Normally such a request is included in the absence policy (Van der Merwe & Miller, 1988).

## c. Unexcused absence

All absences not falling into the two previous categories and where no reason is given, or not accepted, are regarded as unexcused (Van Der Merwe & Miller, 1988). This type of absence, when it reaches problematic proportions, will have to be pointed out to employees in question in order to bring their attendance in line with acceptable norms. Employees who come to work later in the day or who leave earlier are normally not recorded on the leave records of employers and the supervisor is normally aware of such absences (Wolmarans, 1994).

## **2.2. Empirical Review**

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

Among the researchers who studied on the causes of employees intention to leave or quit and absenteeism with respect to job satisfaction includes Mr. Alamdar Hussain Khan (2014), Samuel Emeka Mbah(2012), Ali Mohammad Mosadeghrad, Ewan Ferlie and Duska Rosenberg(2008), Beverley Ann Josias(2005), Prof. V.P. Thirulogasundaram, Dr.P.C.Sahu(2014). These researchers investigated in their research that career advancement opportunity, compensation etc. has an impact on employee turnover intention and absenteeism and also they concluded that pay, nature of work, promotion, supervision, fairness etc. has inversely impact on employees' turnover intention and absenteeism.

A study carried out by Mr. Alamdar Hussain Khan (2014) conduct a research on the impact of job satisfaction on employee turnover in Autonomous Medical Institutions of Pakistan. The finding of the research was job satisfaction factors are highly affected the employee turnover. Job satisfaction variables like Pay, Promotion, Working Conditions and Nature of Work are the prominent for the job satisfaction level of the employee; and also stated that the less satisfied employees are highly leaving their companies.

Samuel Emeka Mbah(2012) studied on job satisfaction and employees' turnover intentions in total Nigeria Plc. in Lagos state. The Researchers considered satisfaction with pay, nature of work and supervision as the three facets of job satisfaction that affect employee turnover intention. The researcher concluded that job satisfaction reduces employees' turnover intention and that Total Nigeria Plc. adopts standard pay structure, suitable nature of work and efficient supervision not only as strategies to reduce employees' turnover but also as the company retention strategy.

Ali Mohammad Mosadeghrad, Ewan Ferlie and Duska Rosenberg(2008) the study conducted on the relationship between job satisfaction, organizational commitment and turnover intention at Isfahan hospital employees. The positive correlation between the two was expected, but there was also unexpected correlation with turnover intention. This may be due to external factors, such as job market conditions, which may influence perceived opportunities for career advancement elsewhere. The impact of such external factors is outside the scope of this study, but will have to be investigated in further research. As job satisfaction and organizational commitment have strong correlation with turnover, it is very important to reinforce them by applying the right human resource policies.

According to Beverley Ann Josias(2005), study focused on the relationship between job satisfaction and absenteeism in a selected field services section within an electricity utility in the western cape. The result of the research showed that dissatisfied employees are more likely to miss work than satisfied employees also indicate that there is a weak, inverse relationship between both the number and frequency of sick leave days and the job satisfaction levels.

Prof. V.P. Thirulogasundaram, Dr.P.C.Sahu(2014) the study conducted on job satisfaction and absenteeism interface in Corporate Sector. The research focused on the effect of job satisfaction factors on the absenteeism, the satisfaction factors are intrinsic and extrinsic and these factors are regulating job motivation of an employee. The result of the research were high level of absenteeism is caused by low job motivation. Employees' are getting different kinds of leave with pay and all types of amenities to take care of their obligation as and when it requires

# 2.3. Conceptual Framework of the Study

Based on the reviewed literatures, Pay, Nature of Work, Supervision, Fairness, Coworkers, and Promotion Opportunity were considered as a key factors affecting job satisfaction and leads employees to leave their organizations and also to become absent from the job, however according to (Luthans, 1995) working condition has a moderate impact on employee job satisfaction so on this study it was not include as a frame work of the project. In this project, job satisfaction is a derived, not an explicit variable, and manifested through the above listed factors. These factors of job satisfaction assumed to be the hotel's turnover and absenteeism problem. This apparently was implied the framework's capacity to address the major areas which have impact on intentions of the hotel's employees' turnover and absenteeism.

- The framework's concern area matched with the scope of this project. All factors identified in the framework within the internal sides of an organization.
- This project was intended to examine the relationship between job satisfaction, the independent variable, and intentions of employees' turnover and absenteeism, the dependent variable.
- The six factors considered to affect job satisfaction are Pay, Nature of Work, Supervision, Fairness, Coworkers, and Promotion Opportunity

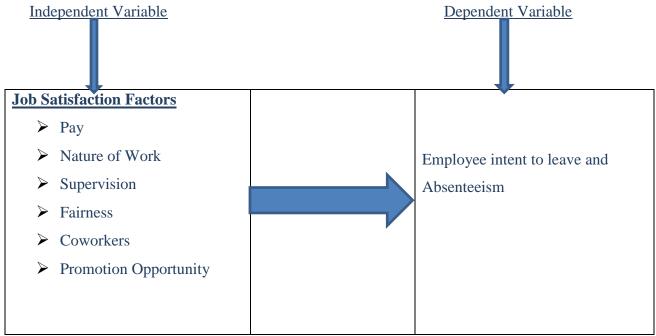


Figure 2.1 Study model Job satisfaction and employees' turnover intention and absenteeism. Source: Review of Related Literature and Study Framework

# 2.4 Study Hypotheses

Based on the review of related literature and study framework, to arrive at the real causes of employee intent to leave and absenteeism in this study, the following hypotheses have been tested:

1. H1: Satisfaction with pay is negatively related with employees' intent to leave and absenteeism.

2. H2: Satisfaction with nature of work is negatively related with employees' intent to leave and absenteeism.

3. H3: Satisfaction with supervision is negatively related with employees' intent to leave and absenteeism.

4. H4: Satisfaction with fairness is negatively related with employees' intent to leave and absenteeism.

5. H5: Satisfaction with coworkers is negatively related with employees' intent to leave and absenteeism.

6. H6: Satisfaction with promotional opportunities is negatively related with employees' intent to leave and absenteeism.

# CHAPTER THREE RESEARCH METHODOLOGY

## **3.1 Introduction**

In this part a description of the research design and methodology used in the study. It also provided an overview of the research study, a description of the instrument used for data gathering, targeted population, sampling procedure, sources of data, and methods of data analysis, presentation and interpretation.

## **3.2 Research Design**

The research design is explanatory since it examined the relationship between satisfaction with pay, nature of work, fairness, coworkers, supervision & promotion opportunity on one hand and the effect and consequence on the intent to leave and absenteeism on the other.

## **3.3 Data Type and Source**

Data collection was done through both primary and secondary resources. Primary data was collected through a structured questionnaire and interviews with human resource manager. The secondary data was gathered through reviewing annual reports, HR policy and procedure, DAGU Hilton quarterly newsletter, Labor Union office report, literatures, journals, previous researches and websites or internet.

## **3.4 Target Population**

The target population of this study was employees of Hilton Addis Ababa & covered management, supervisors and line employees.

# 3.5. Sampling Size and Technique

Samplings is process of choosing a smaller and more manageable number of people to take part in the research process and generalize the results to the whole of the research population (Catherine, 2002 PP 47-48). For this study stratified random sampling used since the population consists of top management, middle levels/supervisors and lower level /line employees as per (Sarantokos, 1998). Then simple random sampling employed to ensure that all employees stand equal chance of being selected to avoid sample bias and ensure that the results are reliable enough to be generalized.

Prior to the actual data collection, emphasis was made on the determination of sample size that was mainly dependent on the purpose of the study, available resource and precision (variance)

required. Sample size is one of the four inter-related features of a study design that can influence the detection of significant differences, relationships or interactions (Peers, 1996). Generally, these survey designs try to minimize both alpha error (finding a difference that does not actually exist in the population) and beta error (failing to find a difference that actually exists in the population) (Peers, 1996). Cochran's (1977) formula uses two key factors: (1) the risk the researcher is willing to accept, and (2) the alpha level, the level of acceptable risk the researcher is willing to accept that the true margin of error; i.e., the probability that differences revealed by statistical analyses really do not exist; also known as Type I error. Another type of error will not be addressed further here, namely, Type II error, also known as beta error. Type II error occurs when statistical procedures result in judgment of no significant differences when these differences do indeed exist.

Often, the sample size is expressed in terms of variance. When the variance is unknown, Cochran (1977)listed four ways of estimating population variances for sample size determination: (i) take the sample in two steps, and use the results of the first step to determine how many additional responses are needed to attain an appropriate sample size based on the variance observed in the first step data; (ii) use pilot study results; (iii) use data from previous studies of the same or similar population; (iv) estimate or guess the structure of the population assisted by some logical mathematical results.

In order to calculate the necessary minimum sample size, enabling a valid assessment of the population the following formula was used:-

$$n = \frac{t^2 * p * (1-p)}{m^2}$$

n=the required sample size.

t=95% confidential level at a standard value of 1.96.

p=7.84%.

m=the margin of error set as 5%.

According to the data obtained from the hotel's HR office for the past five years from 2011-2015, the average proportion of employee intent to leave was 7.84%, which was considered as proxy for proportion of turnover and determine sample size for this study.

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As per the above formula out of the sample frame of 652 employees in Hilton Addis Ababa, a sample of 111 was chosen which represents around 17.02% of the population. According to Amedeho (2002), a sample size between 5-20% is ideal to represent the entire population.

|                             | 1         | I          | 1            | 1                        |
|-----------------------------|-----------|------------|--------------|--------------------------|
| Employee categories         | Number of | Employee   | Total Sample | From sampling units      |
|                             |           |            | -            |                          |
|                             | Employee  | percentage | Size (n=111) | each job classification/ |
|                             |           |            |              | - 4                      |
|                             |           |            |              | stratum                  |
| Top Management/             | 12        | 0.018      | 111*0.018    | 2                        |
| rop management              | 12        | 0.010      | 111 0.010    | -                        |
| Department Heads            |           |            |              |                          |
| 1                           |           |            |              |                          |
| Middle level Management/    | 56        | 0.086      | 111*0.086    | 10                       |
| G                           |           |            |              |                          |
| Supervisors                 |           |            |              |                          |
| lower level /line employees | 584       | 0.896      | 111*0896     | 99                       |
| lower lever/line employees  | 364       | 0.890      | 111.0090     | 33                       |
| Total Employee              | 652       | 1          |              | 111                      |
|                             | 001       | *          |              | ***                      |

Table 3.1 Sample Size determination

As indicated in the above table, three categories of job classifications namely top management or department heads, middle level management/ supervisors and lower level or line employees were considered to be strata for this study. The size of the sample in each stratum was determined in proportion to the size of the stratum, termed as proportional allocation like top management or department heads 1.8%, middle level management/ supervisors 8.6%, and lower level or line employees 89.60%. Finally, using the employee database of the hotel, the final sampling units 111 employees were selected following a simple random sample. Stratification was employed due to administrative convenience and a gain in precision in the estimates of the characteristics of the whole population over the simple random sampling technique.

## **3.6 Data Collection Methods/Procedure**

The questionnaire was planned to gather quantitative data relating to demographic, salaries and benefits, promotion opportunities, recognition, supervision, nature of work, fairness and employees' turnover intention and absenteeism. Before the questionnaire was prepared and distributed for collecting data, feedback was gathered from the advisor. Respondents were selected using stratified and simple random sampling. Data collection using questionnaire was checked for its consistency and completeness before analysis made and finally the questionnaire be annexed.

## **3.7 Methods of Data Analysis**

The questionnaire was one of the main tools for collecting data from respondents in the study and also it is the main instrument for gathering the appropriate data. Job satisfaction is mostly assessed by asking people how they feel about their jobs, either through a questionnaire or an interview.

After gathering the data the researcher used both qualitative and quantitative methods of analysis. The qualitative data was edited for minor errors, coded and classified to have similar characteristics, and ready for analysis. The quantitative analysis was undertaken using percentage and ratio, tables, and mean and the researcher used statistical software called SPSS to see the relationship between job satisfaction (as independent variable) on the causes of employee intent to leave and absenteeism (as dependent variable) using regression analysis.

### **3.8 Model Specification**

This study encompasses two major variables whose relations and influences one another are investigated through different models. These variables are job satisfaction and employee intent to leave and absenteeism; and as its title states the major objective of this study is to investigate the effect of job satisfaction on employee intent to leave and absenteeism. To do this there have been several steps followed as follows.

First it was necessary to see the causes that explain/influence employee intent to leave and absenteeism, and these causes, which are six in numbers; influence is assessed using multiple regression models as follows.

Simple Multiple Regression model:

 $Y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + \dots + b_n x_n + e$ 

Where in this case Y=dependent variable which means, employee intent to leave and absenteeism

a = constant beta/intercept

 $b_1, b_2, b_2...b_n$ =coefficients for each job satisfaction factors,

x=independent variable that mean job satisfaction factors.

e= constant for standard error

Generally the coefficients are found using the SPSS 20 version and further results are shown in the data analysis part of this study

## 3.9 Variables and Measurement

## 3.9.1 Validity

The concept of validity is concerned with the extent to which the questionnaire measures what it significances to measure, and is often rephrased as truth or accuracy. It also refers to the extent to which an experiential measure adequately reflects the real meaning of the concept under consideration. However, an instrument cannot measure the attribute of interest if it is unpredictable, inconsistent, and inaccurate. According to LoBiondo-Wood and Haber (2006), there are three major kinds of validity including content, criterion-related, and construct validity. For this study, face-to-face communication, criterion-related, and construct (linking the idea of human resource managers and the idea of employees) validity was used to assess the validity of the instrument.

Content validity is a measuring instrument reflects the extent to which the items measure the content they were intended to measure (Cooper & Schindler, 2003). It must therefore provide adequate coverage of the questions guiding the research. The JSS measures job satisfaction, using different subscales and it is considered to have content validity.

The content validity can satisfy by answering questions properly, administrating in a survey, usability test, or interview a concerned body. Construct validity measures how well the questions yield data that measure what trying to measure so by having a fact that meet the expectations that full fill job satisfaction.

The study ensured reduction of construct validity by deriving the research variables from existing theoretical frameworks. The study has adequately reviewed related literature and modeled the study on sound theoretical models.

The questionnaire was given to other experts in research to seek their opinion about the adequacy and representativeness of the instrument to ensure it covers all the variables being measured as a way of eliminating content validity.

### 3.9.2 Reliability

The reliability of the questionnaire was tested by using Cronbach's Alpha or called Alpha Coefficient to show the internal consistency of the questionnaire. As stated by Masdia Masri (2009), the closer the reliability coefficient to 1.00 is the better. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable.

A commonly accepted rule of thumb for describing internal consistency using Cranach's alpha is as follows (Cronbach LJ (1951))

Table 3.2 Cronbach's Alpha determination

| Cranach's Alpha        | Internal Consistency            |
|------------------------|---------------------------------|
| $\alpha \ge 0.9$       | Excellent (High-Stakes testing) |
| $0.7 \le \alpha < 0.9$ | Good (Low-Stakes testing)       |
| $0.6 \le \alpha < 0.7$ | Acceptable                      |
| $0.5 \le \alpha < 0.6$ | Poor                            |
| α < 0.5                | Unacceptable                    |

In this study, all the independent variables and dependent variable turnover and absenteeism met the above requirement. The alpha value for each question is identified and summarized in Table-3.3 as shown below.

Table 3.3 Alpha Coefficient for Each Section of Questionnaire

| S/n | Section  | No. of Items | Alpha Value |
|-----|--|--------------|-------------|
| 1   | Statements of satisfaction with pay            | 5            | .923        |
| 2   | Statements of satisfaction with promotion      | 6            | .948        |
| 3   | Statements of satisfaction with supervision    | 6            | .951        |
| 4   | Statements of satisfaction with Nature of work | 5            | .869        |
| 5   | Statements of satisfaction with coworkers      | 5            | .784        |
| 6   | Statements of satisfaction with fairness       | 3            | .973        |
| 7   | Statement of intent to leave.                  | 4            | .950        |
| 8   | Statement of absenteeism                       | 4            | .947        |

Source: Research Questionnaire, 2016

The result of table 3.3 indicates that the alpha values of the responses given to the dimensions are constant and acceptable for analysis because all the alpha values are greater than 0.7.

#### **3.9.3 Measurement**

The questionnaire was one of the main tools for collecting data from respondents in the study and also it is the main instrument for gathering the appropriate data. Job satisfaction is mostly assessed by asking people how they feel about their jobs, either through a questionnaire or an interview. There are a few measures of satisfaction that are widely used in research which will be briefly discussed. Specific attention was given to the Job Satisfaction Survey and among the below list of measurement scale this research measured by Job Satisfaction Survey because it assessed the nine facets of job satisfaction factors and tested the reliability and validity, it is necessary to review the content of their scales to ensure that the facets their subscales represent remain relevant in the contemporary work environment. It is also important to increase research efforts to identify the extent to which facets of job satisfaction may differ from country to country and culture to culture.

Employee intent to leave measured by using the two survey items that based on Spector and Jex (1988) with what level of certainty to leave the current organization with the next year for another type of job and also for similar type of job. Absenteeism can be measured objectively by calculating the number of absence from organization records for each individual worker during a full 12-month period.

#### Job Satisfaction Survey (JSS)

The Job Satisfaction Survey is the common measure of job satisfaction and it used in this study to produce data on the job satisfaction levels of participants. The JSS has been tested for reliability and validity across different studies (Spector, 1997). It assesses nine facets of job satisfaction as well as overall satisfaction. The nine facets of Spector job satisfaction survey /JSS are pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, co-workers, nature of work and communication.

#### Minnesota Satisfaction Questionnaire (MSQ)

Another popular job satisfaction scale is the Minnesota Satisfaction Questionnaire (Spector, 1997; 2000). Robbins (2005) states that the MSQ has the advantage of versatility in that long and short form are available. It also makes provision for faceted as well as overall measures. The long form contains 100 items and the short form contains 20 items measuring different facets of job satisfaction (Spector, 1997).

### Job Diagnostic Survey (JDS)

The Job Diagnostic Survey was developed to study the effects of job characteristics on people (Hackman & Oldham, 1975 as quoted by Spector, 1997, 2000). The JDS covers several areas of job satisfaction, such as growth, pay, security, social, supervisor as well as global satisfaction. In order to answer the questions, respondents have to select their choice of answer based on the five point scale according to their opinion on each question. Each answer has been given a score and it is assumed that the format is easier for the respondents to understand the concepts and provide precise answers. The five-point scale is used to measure the level of the factors as shown in Table 3.4.

Table-3.4: Five-Point Scale

| S/n | Choices           | Score |
|-----|-------------------|-------|
| 1   | Strongly Disagree | 1     |
| 2   | Disagree          | 2     |
| 3   | Neutral           | 3     |
| 4   | Agree             | 4     |
| 5   | Strongly Agree    | 5     |

Source: Research Questionnaire, 2016

# **3.10 Ethical Consideration**

Confidentiality and privacy are some of the most corner stone of field research activities in order to get relevant and appropriate data. The researcher assured the purpose of the research paper and confidentiality of any information gathered through questionnaire on the introductory part of the paper. During data gathering some respondents didn't show willingness to respond to the questionnaire but, the researcher approached and explained the purpose and assured the confidentiality and finally they were positive to give response.

# **CHAPTER FOUR**

# DATA PRESENTATION, ANALYSIS AND INTERPRETATION

# 4.1 Introduction

In this chapter the data obtained from the structured questionnaires and interviews are analyzed, presented and interpreted by using frequency distributions, analysis of variance (ANOVA) and Pearson's correlation coefficient by using of SPSS version 20.

Among the distributed 111 questioners 2 for management, 10 for supervisors and 99 for line employees; management and supervisors returned all the questionnaires whereas 86 questionnaires from the 99 returned from the line employees. All in all 88% questionnaires were returned.

# 4.2 Background of the Respondents

This section describes the frequency distribution of respondents' personal or demographic characteristics. Demographic characteristics like sex, age, marital status, education level, working experience and job category described by using frequency and percentage

| S/n |      |                   |       | Percentage |              |  |
|-----|------|-------------------|-------|------------|--------------|--|
|     | Item | Response Category | Freq. | Valid %    | Cumulative % |  |
| 1   | Sex  | Male              | 54    | 55.1       | 55.1         |  |
|     | JUA  | Female            | 44    | 44.9       | 100          |  |
|     |      | Total             | 98    | 100        | -            |  |
|     |      | Less than 20      | 4     | 4.1        | 4.1          |  |
|     |      | 21 - 30           | 33    | 33.7       | 37.8         |  |
| 2   | Age  | 31 - 40           | 27    | 27.6       | 65.3         |  |
|     |      | 41 - 50           | 27    | 27.6       | 92.9         |  |
|     |      | 51 - 60           | 7     | 7.1        | 100          |  |
|     |      | More than 61      | -     | -          | 100          |  |
|     |      | Total             | 98    | 100        | -            |  |

Table 4.1: Frequency Distribution-Demographic Characteristic of the Respondents

|   |                | Single                | 37 | 37.8 | 37.8 |
|---|----------------|-----------------------|----|------|------|
|   |                | Married               | 61 | 62.2 | 100  |
| 3 | Marital Status | Divorced              | _  | -    | 100  |
|   |                | Widow                 | -  | -    | 100  |
|   |                | Total                 | 98 | 100  | -    |
|   |                | Certificate           | 41 | 41.8 | 41.8 |
| 4 | Educational    | Diploma/ Level III/IV | 35 | 35.7 | 77.6 |
|   | Qualification  | Degree                | 22 | 22.4 | 100  |
|   |                | Master                | -  | -    | 100  |
|   |                | Total                 | 98 | 100  | -    |
|   |                | Less than 5 year      | 21 | 21.4 | 21.4 |
|   |                | 6 – 10 years          | 29 | 29.6 | 51   |
| 5 | Working        | 11 – 15 years         | 17 | 17.3 | 68.4 |
|   | Experience     | 16 – 20 years         | 8  | 8.2  | 76.5 |
|   |                | 21 – 25 years         | 16 | 163  | 92.9 |
|   |                | More than 26 years    | 7  | 7.1  | 100  |
|   |                | Total                 | 98 | 100  | -    |
|   |                | Management            | 2  | 2    | 2    |
| 6 | Job Category   | Supervisor            | 10 | 10.2 | 12.2 |
|   |                | Line Employee         | 86 | 87.8 | 100  |
|   |                | Total                 | 98 | 100  | -    |

Source: Research Questionnaire, 2016

Table-4.1 shows the summary of respondents' demographic factors. Accordingly, item-1 of the table indicates out of 98 respondents, 55.1% is male and the rest 44.9% is female. Based on the information, we can infer that the majority of respondents are male.

Item-2 of the table specifies age distribution of the respondents. As the result the greatest number, 33.7% of the respondents are in their 21 to 30 age group, followed by respondents aged 31 to 40 and 41 to 50 which are equally 27.6% and 51 to 60 years 7.1% of the respondents the least group found under the age of 20 years which is 4.1% of the respondents. There are no

respondents more than 61 years old. Therefore, almost 65.3% of current employees of Hilton Addis Ababa are less than age group of 40 years. So, the majority of current employees are young and mature active enough professionals.

Item-3 of the table also points toward the marital status of the respondents. Accordingly, 62.2% of the respondents currently working in the organizations are married whereas 37.8% are single. Thus, based on the respondents response obtained, it can be possible to generalize that employees of the organizations are mostly married and being married may be advantageous for the organizational goal achievement because married employees are more stable to stay in the organization than single employees

Item-4 of the table is concerning the educational qualification of the respondents. Consequently, the largest numbers of the respondents are certificate holders which is 41.8% of the respondents followed by diploma holder 35.7% whereas 22.4% are degree holder. There are no respondents who are masters qualified. Depending on the respondents' response, one can conclude that the majority of employees in the organizations are professional enough for the hospitality industries.

Item-5 of the table is regarding the working experience or service years of the respondents in the organizations. It indicates that 78.60% of respondents have been working in the organizations for more than 5 years, 29.6% for 6 to 10 years, 17.3% for 11 to 15 years, 8.2% for16 to 20 years, and 16.3% for 21 to 25 whereas 21.4% have been working for less than years. Therefore, the majority of the respondents have been working for more than five years in the organizations. So, this is significant for the soundness of the data that provided by the respondents since those who have more stayed in the organizations know more about the organizations and assumed to be they can offer precise information.

Item-6 of the table is regarding the job category of the respondents in the organization. It indicates that 85.2% of the respondents are line/lower level employees where as 10.2% supervisors and the rest 2% are top level managements.

### **4.3 Result of Descriptive Analysis on the factors**

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

#### Table 4.2: Mean value of the factors

| Descriptive Statistics           |           |           |                |  |  |  |
|----------------------------------|-----------|-----------|----------------|--|--|--|
|                                  | N         | Mean      | Std. Deviation |  |  |  |
|                                  | Statistic | Statistic | Statistic      |  |  |  |
| Satisfaction with Pay            | 98        | 2.3469    | .86229         |  |  |  |
| Satisfaction with Promotion      | 98        | 2.4095    | 1.05852        |  |  |  |
| Satisfaction with Supervision    | 98        | 3.1647    | 1.02619        |  |  |  |
| Satisfaction with Nature of work | 98        | 3.0633    | .97878         |  |  |  |
| Satisfaction with Coworkers      | 98        | 4.0224    | .47614         |  |  |  |
| Satisfaction with Fairness       | 98        | 2.3641    | 1.28325        |  |  |  |
| Intent to leave                  | 98        | 3.3035    | 1.27193        |  |  |  |
| Absenteeism                      | 98        | 3.2780    | 1.26795        |  |  |  |

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Source: Research Questionnaire, 2016

As indicated in the above table the result of the data that gather from the employees; the mean value of satisfaction with pay, promotion and fairness is below the average this shows that these three job satisfaction factors are the main factors that lead to dissatisfaction of employees of Hilton Addis Ababa.

On the other hand table 4.2 showed that the mean value of satisfaction with supervision, nature of work and coworkers are above the average (i.e. 3) the result indicated that employees are satisfied with the hotel supervisors, nature of work and with their coworkers or team mates. The mean value of the dependent factors that mean intent to leave and absenteeism are 3.30 and 3.27 respectively this mean that the value is above the average this showed that majority of the hotel employees are willing to leave their organization and want to absent from their work.

According to the view of the Human Resource Managers, their organizations are losing skilled manpower to other organizations where the compensation or monetary reward system is higher than their organizations. In accordance with the opinion of the human resource managers, the organizations have been facing high rate of employee intent to leave but now, the hotel is planning to revise their payment scale and compensation. Here the HR manager noticed that since the hotel majority of the shareholders owned by the government it is difficult to decide and implement at once, it may take time.

The HR managers have made formal communication with employees who are going to leave the hotel when they submit application letter to the human resource management department for requesting the certificate of work experience and clearance. Accordingly, the main reason that voluntary resigned employees pointed out is salary difference between Hilton Addis Ababa and other hotels that they are going to join and the possibility of getting promotion and position is very low here in Hilton. This implies that employees have been leaving the organizations because of lower scale of payment compared to other organizations and getting a better position. According to the human resource managers, most of ex-employees joined private hotels since now days a lot of local and international hotels have been opened in our country. The HR manager also noticed that most of the employees by any case want to present sick leaves and at the moment the rate of sick leaves increased from time to time, when the manager try to investigate the main reason of the presence of sick leave in an informal way it is lack of interest doing their job.

The managers also was asked about the view of existing employees to stay in the organizations and replied that since the hotel in on process to make salary adjustment and try to open new positions for giving promotions for the long stayed employees in the meantime the hotel arrange education benefits on each year for the qualified and interested employees and also the hotel try to give recognition for the best employees on every month, in addition to this the hotel try to celebrate anniversary ceremony for employees who has experience 5years, 10years, 15years, 20years, 25years and so on by doing like this the hotel try to minimize the intent to leave and absenteeism. However since there is advanced communication technology for searching better job opportunities through different media, like internet, the managers have a great hesitation how current employees will stay in the organizations.

Finally the HR Manager said that the employee intent to leave and absenteeism cost their organization in monetary ways as well as in service ways. The first one is that when there is recruitment and selection of new employees has a cost by its nature also take along process as a result work load go to with few employees. The second one when the service provider employee misses from the work; the duty and responsibility proportion for employees may not be proportional as a result some of our guests may be upset by delaying services and bills.

The view of HR Manager also supported that the result of descriptive statistics of dissatisfaction of Employees of Hilton Addis Ababa with pay and promotion job satisfaction factors.

# **4.4 Correlation Analysis**

Correlation is a bivariate analysis that measures the strengths of association between two variables. In statistics, the value of the correlation coefficient varies between +1 and -1. When the value of the correlation coefficient lies around  $\pm 1$ , then it is said to be a perfect degree of association between the two variables. As the correlation coefficient value goes towards 0, the relationship between the two variables will be weaker. Usually, in statistics, we measure three types of correlations: Pearson correlation, Kendall rank correlation and Spearman correlation. For this study I used Pearson correlation.

| Job satisfaction | Intent to leave                     | е     | Absenteeism            |              |
|------------------|-------------------------------------|-------|------------------------|--------------|
| factors          | Pearson Level of Sig<br>Correlation |       | Pearson<br>Correlation | Level of Sig |
| Рау              | 715                                 | .0000 | 721                    | .0000        |
| Promotion        | 767                                 | .0000 | 724                    | .0000        |
| Supervision      | 588                                 | .0000 | 502                    | .0000        |
| Nature of work   | 554                                 | .0000 | 499                    | .0000        |
| Coworkers        | 0.077                               | .452  | .149                   | .149         |
| Fairness         | 957                                 | .0000 | 894                    | .0000        |

 Table 4.3 Correlation result

Source: Research Questionnaire, 2016

As shown the above tables the relationship between satisfaction with pay, promotion, supervision, nature of work, coworkers and fairness with respect to employee intent to leave and absenteeism. The result indicate that satisfaction with fairness, promotion and pay are the most dominant figure which has significant inverse relationship between employee intent to leave and absenteeism and next to this satisfaction with nature of work and supervision whereas satisfaction with coworkers has not relationship with employee intent to leave and absenteeism.

# **4.5 Regression Analysis**

This section presents finding obtained from statistical analysis of the data gathered through selfadministered structured questionnaire and taste of the hypothesis was conducted using multiple linear regression analysis.

Multiple regressions analysis was conducted to determine whether a relationship exists between the independent variable and the dependent variable and their level of significance.

#### Overall goodness fit of the model

| Table 4.4 Woder Summary job satisfaction & intent to leave |                   |          |                   |                            |      |  |  |
|--|-------------------|----------|-------------------|----------------------------|------|--|--|
| Model  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |      |  |  |
| 1  | .959 <sup>a</sup> | .919     | .914              | .3                         | 6214 |  |  |

#### Table 4.4 Model Summary job satisfaction & intent to leave

a. Predictors: (Constant), FAIR, COWORKERS, SUPERVISION, NATUREOFWORK, PAY, PROMOTION

#### Table 4.5 ANOVA<sup>a</sup> Result job satisfaction & intent to leave

| Model |            | Sum of Squares | Df | Mean Square | F       | Sig.              |
|-------|------------|----------------|----|-------------|---------|-------------------|
|       | Regression | 135.847        | 6  | 22.641      | 172.638 | .000 <sup>b</sup> |
| 1     | Residual   | 11.934         | 91 | .131        |         |                   |
|       | Total      | 147.781        | 97 |             |         |                   |

a. Dependent Variable: INTENT TO LEAVE

b. Predictors: (Constant), FAIR, COWORKERS, SUPERVISION, NATUREOFWORK, PAY, PROMOTION

#### Table 4.6 Model Summary job satisfaction & absenteeism

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |    |
|-------|-------------------|----------|-------------------|----------------------------|----|
| 1     | .899 <sup>a</sup> | .809     | .796              | .6137                      | 78 |

a. Predictors: (Constant), FAIR, COWORKERS, SUPERVISION, NATUREOFWORK, PAY, PROMOTION

| Table 4.7 ANOVA <sup>a</sup> Result jo | b satisfaction & absenteeism |
|--|------------------------------|
|--|------------------------------|

| Model |            | Sum of Squares | Df | Mean Square | F      | Sig.              |
|-------|------------|----------------|----|-------------|--------|-------------------|
|       | Regression | 145.204        | 6  | 24.201      | 64.240 | .000 <sup>b</sup> |
| 1     | Residual   | 34.282         | 91 | .377        |        |                   |
|       | Total      | 179.485        | 97 |             |        |                   |

a. Dependent Variable: ABSENTEEISM

b. Predictors: (Constant), FAIR, COWORKERS, SUPERVISION, NATUREOFWORK, PAY, PROMOTION

The model analysis includes the independent variable (satisfaction with pay, promotion, supervision, nature of work, coworkers and fairness) and dependent variable (intent to leave and absenteeism). As indicated in the above model summary table 4.4 & 4.6 and ANOVA table 4.5 & 4.6, the linear combination of the independent variable was significantly related to the dependent variable, R=.959 between job satisfaction & employee intent to leave, R=.899 between job satisfaction and absenteeism, adjusted R square=.914, F=172.638 (p=0.000) between job satisfaction & employee intent to leave and adjusted R square=.796, F=64.240 (p=0.000) between job satisfaction and absenteeism. This implies that an estimated 91.40% of total variation in the dependent variable; Intent to leave, is jointly explained by the predictors, i.e., satisfaction with pay, promotion, supervision, nature of work, coworkers and fairness where

as 8.60% is explained by other factors. On the other hand 79.60% of total variation in the dependent variable; absenteeism, is jointly explained by the predictors, i.e., satisfaction with pay, promotion, supervision, nature of work, coworkers and fairness where as 8.60% is explained by other factors

Individual factors affecting turnover intention and absenteeism

| Model |              | Unstandardize | ed Coefficients | Standardized<br>Coefficients | Т       | Sig. |
|-------|--------------|---------------|-----------------|------------------------------|---------|------|
|       |              | В             | Std. Error      | Beta                         |         |      |
|       | (Constant)   | 5.654         | .368            |                              | 15.351  | .000 |
|       | PAY          | 198           | .071            | 196                          | -2.770  | .006 |
|       | PROMOTION    | 086           | .062            | 074                          | -1.396  | .166 |
| 1     | SUPERVISION  | 075           | .049            | 062                          | -1.517  | .133 |
|       | NATUREOFWORK | 046           | .054            | 037                          | 852     | .396 |
|       | COWORKERS    | .050          | .083            | .057                         | .226    | .811 |
|       | FAIRNESS     | 871           | .052            | 906                          | -16.802 | .000 |

Table 4.8 Coefficients of Job satisfaction factors with intent to leave

a. Dependent Variable: INTENTTOLEAVE

Source: Research Questionnaire, 2016

From the above table 4.8, it can be learnt that the higher satisfaction with pay the lessor employees turnover intention (Beta=-0.196), p-value (sig.) is less than  $\alpha = 0.05$  then the coefficient is significant. Thus the effect of satisfaction with pay on employees' turnover intention is significant.

The coefficient of satisfaction with promotion is -0.74, this implies that satisfaction with promotion negatively related with employee turnover intention but the p-value (sig.) 0.166 is higher than  $\alpha = 0.05$  which means the coefficient is insignificant. Therefore satisfaction with promotion on employee turnover intention is insignificant.

Satisfaction with supervision Beta value is -0.062 which means supervision negatively related with employee intent to leave however since p-value (.133) greater than 0.05. Satisfaction with supervision on employees' turnover intention is insignificant.

The coefficient of satisfaction with nature of work and coworkers variable is -.037 and .057 respectively, this implies that nature of work negatively related with the employees' turnover intention whereas coworkers positively related with employee turnover intention. But, looking at

the P-value/sig both values are higher than 0.05, it can be understood that the coefficients are insignificant which means satisfaction with nature of work and coworkers has no significant effect on employees' turnover intention.

Satisfaction with fairness beta value indicate that; the lesser satisfaction with fairness has a higher impact on the employee intent to leave this means that fairness and intent to leave has an inverse relationship. Since the p-value (sig.) is less than  $\alpha = 0.05$  satisfaction with fairness has a significant impact on the employee intent to leave.

To summarize the relationship of job satisfaction factors with employee intent to leave; satisfaction with promotion, supervision, coworkers and nature of work have not significant relationship with intent to leave. However satisfaction with pay and fairness has a significant impact on employee intent to leave. The computed t-value of pay and fairness are -2.77 and - 16.802 respectively both are statistically significant at 1%. This indicates satisfaction with pay and fairness has a significant effect on employee turnover intention. Keeping all other variables constant, a unit change in the satisfaction of pay would result in a .196 unit reduction in turnover intention on the other hand a unit change in the satisfaction of fairness would result in a .906 unit reduction in turnover intention.

| Model |              | Unstandardize | ed Coefficients | Standardized<br>Coefficients | t      | Sig. |
|-------|--------------|---------------|-----------------|------------------------------|--------|------|
|       |              | В             | Std. Error      | Beta                         |        |      |
|       | (Constant)   | 4.993         | .624            |                              | 7.998  | .000 |
|       | PAY          | 124           | .122            | 078                          | -1.011 | .031 |
|       | PROMOTION    | 093           | .105            | 072                          | 886    | .378 |
| 1     | SUPERVISION  | 027           | .083            | 020                          | 321    | .749 |
|       | NATUREOFWORK | 030           | .092            | 021                          | 323    | .747 |
|       | COWORKERS    | .155          | .141            | .054                         | 1.097  | .276 |
|       | FAIR         | 846           | .088            | 798                          | -9.624 | .000 |

Table 4.9 Coefficients of Job satisfaction factors with absenteeism

a. Dependent Variable: ABSENTEEISM

Source: Research Questionnaire, 2016

As shown in table 4.9 the beta value of satisfaction with promotion, supervision and nature of work indicates that their relationship with absenteeism are negatively related however their p-

value (sig) are greater than  $\alpha$  value of 0.05 due to this all the three factors don't have a significant impact on the absenteeism.

The beta value of coworkers is 0.54 which means coworkers are positively related with absenteeism however its p-value (sig) .276 is higher than 0.05 therefore coworkers doesn't have significant value on the absenteeism.

Satisfaction with pay and fairness beta value indicate that both factors have negatively related with absenteeism; their p-value (sig) also less than alpha value of 0.05; this is, therefore pay and fairness have a significant impact on absenteeism.

The computed t-value of pay and fairness are -1.011 and -9.624 respectively both are statistically significant at 1%. This indicates satisfaction with pay and fairness has a significant effect on absenteeism. Keeping all other variables constant, a unit change in the satisfaction of pay would result in a .078 unit reduction in absenteeism on the other hand a unit change in the satisfaction of fairness would result in a .798 unit reduction in absenteeism.

# 4.6 Hypothesis Testing

## Table-4.10: Summary of Hypothesis Testing

This sub-topic summarizes each of hypotheses stated in Chapter 2. The results are displayed in the table below.

| Hypothesis | Description  | Method      | Result    |
|------------|--|-------------|-----------|
| H1         | Satisfaction with pay is negatively related with employees' intent to leave and absenteeism            | Correlation | Supported |
| H2         | Satisfaction with promotion is negatively related with employees' intent to leave and absenteeism      | Correlation | Supported |
| H3         | Satisfaction with supervision is negatively related with<br>employees' intent to leave and absenteeism | Correlation | Supported |
| H4         | Satisfaction with nature of work is negatively related with employees' intent to leave and absenteeism | Correlation | Supported |
| H5         | Satisfaction with coworkers is negatively related with employees' intent to leave and absenteeism      | Correlation | Rejected  |
| H6         | Satisfaction with fairness is negatively related with employees' intent to leave and absenteeism       | Correlation | Supported |

Source: Correlation Analysis Result

# **CHAPTER FIVE**

# SUMMARY, CONCLUSION AND RECOMMENDATIONS

### **5.1 Introduction**

This chapter presents the summary of the results and the findings based on the analysis conducted throughout the entire study. Suggestions are also presented in order to guide future researchers examining the relationship between job satisfaction and employee intent to leave and absenteeism. Subsequently the chapter ends with conclusions and some relevant recommendations for both the management as well as for future researchers

## 5.2 Summary of the Major Findings

The main aim of this study was to investigate the effect of job satisfaction on employee intent to leave and absenteeism. The study saw the relationship between job satisfaction factors like pay, promotion, supervision, nature of work, coworkers and fairness with employee intent to leave and absenteeism. This study attempted to answer the following objectives:

- Assess the perception of employee's on job satisfaction factors.
- Identify the causes of employee turnover & absenteeism.
- To determine the relationship between job satisfaction and the intent to leave and absenteeism.
- To investigate the effect of job satisfaction on employees intent to leave and absenteeism

Based on the data analysis and interpretation made in the preceding chapter the most important findings are summarized as follows.

The mean value of the independent variables which means job satisfaction factors like pay, promotion, supervision, nature of work, coworkers and fairness are 2.35, 2.41, 3.16, 3.06, 4.02 and 2.36 respectively. The result shows that majority of employees in the hotel are dissatisfied with pay, promotion and fairness because the result of the mean values are below the average value of 3.0. On the other hand the mean value of the dependent variables intent to leave and absenteeism indicate that majority of the employees are willing to leave as well as to miss from their work place. The result of descriptive statistics also showed that employees are satisfied with the hotel supervision style, nature of work and coworkers.

The relationship between the dependent and independent variables are presented in the correlation analysis. The correlation analysis indicated that satisfaction with pay, promotion and

fairness are highly negatively related with intent to leave and absenteeism. However satisfaction with coworkers doesn't have a relationship with intent to leave and absenteeism. On the other hand satisfaction with supervision and nature of work moderately related with intent to leave and absenteeism in a negative way.

According to the result of regression analysis, model summary and ANOVA; 91.40% of total variation in the dependent variable; intent to leave, is jointly explained by the predictors, i.e., satisfaction with pay, promotion, supervision, nature of work, coworkers and fairness whereas only 8.60% is explained by other factors. On the other hand 79.60% of total variation in the dependent variable; absenteeism, is jointly explained by the predictors, i.e., satisfaction with pay, promotion, supervision, nature of work, coworkers and fairness where as 8.60% is explained by other factors. The regression result indicates that among the independent job satisfaction factors; satisfaction with pay and fairness are the only two factors which are negatively related with intent to leave and absenteeism. The result of regression analysis indicated that the rest job satisfaction factors that mean promotion, supervision, nature of work and coworkers have not significant impact on the employee intent to leave and absenteeism.

## **5.3 Conclusions**

Based on the major findings explained in the above together with the measurement of questionnaires of pay and fairness, the following conclusions were drawn. Employee intent to leave and absenteeism is become increasing from time to time in Hilton Addis Ababa. Employees left their organizations for the attractive payment system from other organizations. The hotel current salary system is not attractive as such other similar industries salary scale, payment is not paid in accordance with working experience, the chance of salary increment is not satisfied employees and also payment is not paid equal to the work done. In addition to this unfair and unequal treatment of employees, the hotel rules and regulations don't work equally for all employees and unfair treatment of employees by the hotel management are also the reason for the intent to leave and absenteeism in Hilton Addis Ababa.

There is also a negative correlation between job satisfaction and employee intent to leave and absenteeism. This implies employees are not satisfied with their job as a result employees voluntarily resign from job and absent from work.

This is, therefore based on the result of data analysis the main cause of Hilton Addis Ababa

employees' intent to leave and absenteeism is dissatisfaction with pay and unfair treatment of employees. On the other hand satisfaction with promotion, supervision, nature of work and coworkers has no effect on the hotel employee intent to leave and absenteeism.

### **5.4 Recommendation**

In general satisfying customers, profit making and staying in the business constantly are some of the purposes of business in order to accomplish these purposes to compete well and to gain competitive advantages from competitors employees play a vital role. In present days due to the advancement of hospitality industries in Ethiopia a lot of local and international hotels have been opened so to be able to competent, profitable and to satisfy customers and also to attain the intended objectives effectively, the hotel management should engage in a practical means of retaining well experienced and well educated employees whose proficiency is critical to service delivery. Thus, in line with the summary of findings, the following recommendations are given in order to minimize or decrease the problem identified.

- The hotel should revise its compensation or monetary reward or payment system in accordance with labor market, living expenses of the societies and comparing with similar industries by including competitive pay scale, house allowance, and better incentives etc. to retain well educated and experienced employees. In addition to this since the hotel is an international hotel try to compare the benefits packages with other countries hotels.
- The management of the hotel should fairly treat all employees and the hotel rules, policies and regulations should work equally for employees.
- The hotel should demonstrate equal and fair employee handling mechanisms based on their performance evaluation.

#### **Recommendation for future research**

Future research can be carried out to determine the effect of Intrinsic factors like personality, education, intelligence and abilities, age and marital status and also to include other unused extrinsic job satisfaction factors on this research.

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# SCHOOL OF GRADUATE STUDIES MA IN BUSINESS ADMINISTRATION (MBA) DEPARTMENT OF GENERAL MANAGEMENT MBA PROGRAM

# Annex A Questionnaires to be filled by Employees of Hilton Addis Ababa

## Dear respondents;

This questionnaire is designed to collect data on the effect of job satisfaction on employee intent to leave and absenteeism in Hilton Addis Ababa which will be used as an input for a thesis in partial fulfillment of the award of Master degree in Business Administration from St. Mary's University. 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.

## <u>NB</u>.

- ↓ No need of writing your name.
- 4 Put the  $[\checkmark]$  mark in the box provided.
- ↓ Please respond as accurately as possible and at your earliest possible time.

Should you have any enquiries please contact the researcher at the following addresses:

Name:-Solomon Mitiku

Telephone number:-251-911437819

Email:-solemitiku@gmail.com/solemitiku@yahoo.com

Thank you in advance for your cooperation!

**Part-I: Demographic Information of Respondents** please put the  $[\checkmark]$  mark in the box provided

1. Sex

|    | □ Male              | □ Female           |             |                  |         |                |
|----|---------------------|--------------------|-------------|------------------|---------|----------------|
| 2. | Age (Years)         |                    |             |                  |         |                |
|    | $\Box$ Less than 20 | ) 🗆 21-30          | □ 31-40     | □ 41-50          | □ 51-60 | □ More than 61 |
| 3. | Marital status      |                    |             |                  |         |                |
|    | □ Single            | □ Married          |             | vorced           | □ Wido  | W              |
| 4. | Education Leve      | el                 |             |                  |         |                |
|    | □ Certificate       | Diploma/Le         | evel III/IV | □ Degree         | [       | ☐ Masters      |
| 5. | Work Experien       | ice                |             |                  |         |                |
|    | $\Box$ Less than 5  | years $\Box$ 6-10  | ) years     | □ 11- 15 yea     | rs      | ☐ 16-20 years  |
|    | $\Box$ 21-25 years  | $\Box$ More than 2 | 25 years    |                  |         |                |
| 6. | Job category        |                    |             |                  |         |                |
|    | □ Managemen         | nt position        | 🗆 Sup       | pervisor positio | n [     | Line Employee  |

### Part-II: Issues Related to Job satisfaction

1. The following statement relates to your states of satisfaction with pay at your organization. Please indicate your level of agreement/disagreement by ticking  $[\sqrt{}]$  in the box for your exact feeling based on the scale below.

N.B:-

|                   |          | - · · ·    |             |                      |
|-------------------|----------|------------|-------------|----------------------|
| 5= Strongly Agree | 4= Agree | 3= Neutral | 2= Disagree | 1= Strongly Disagree |
|                   | 1 1.8.00 | 5 Neutrai  | - DigaBicc  | ± 001011819 01008100 |

|     |  |   | Scale |   |   |   |  |  |  |
|-----|--|---|-------|---|---|---|--|--|--|
| No. | Statements of satisfaction with pay                    | 1 | 2     | 3 | 4 | 5 |  |  |  |
| 1   | I feel I am being paid a fair amount for the work I do |   |       |   |   | 1 |  |  |  |
| 2   | I am paid according to my working experience           |   |       |   |   |   |  |  |  |
| 3   | My pay is more sufficient for my living expenses       |   |       |   |   |   |  |  |  |
| 4   | I fell satisfied with my chance for salary increase    |   |       |   |   |   |  |  |  |
| 5   | Pay is paid equal to the work done                     |   |       |   |   |   |  |  |  |

2. The following statement relates to your states of satisfaction with promotion at your organization. Please indicate your level of agreement/disagreement by ticking  $[\sqrt{}]$  in the box for your exact feeling based on the scale below.

5= Strongly Agree

4= Agree

3= Neutral 2= Disagree

1= Strongly Disagree

|     |  | Scale |   |   |   |   |
|-----|--|-------|---|---|---|---|
| No. | Statements of satisfaction with promotion                    | 1     | 2 | 3 | 4 | 5 |
| 6   | Promotion in my organization is quite good                   |       |   |   |   |   |
| 7   | Promotion in my organization is based on performance result  |       |   |   |   |   |
| 8   | Promotion in my organization is frequent                     |       |   |   |   |   |
| 9   | Promotion in my organization is regular                      |       |   |   |   |   |
| 10  | The chances for promotions in my organization is fair        |       |   |   |   |   |
| 11  | Promotion in my organization depend on the length of service |       |   |   |   |   |

3. The following statement relates to your states of satisfaction with supervision at your organization. Please indicate your level of agreement/disagreement by ticking  $[\sqrt{}]$  in the box for your exact feeling based on the scale below.

5= Strongly Agree 4= Agree 3= Neutral 2= Disagree 1= Strongly Disagree

|     |   | Scale |   |   |   |   |
|-----|---|-------|---|---|---|---|
| No. | Statements of satisfaction with supervision                       | 1     | 2 | 3 | 4 | 5 |
| 12  | My supervisor is quite competent in doing his/her job             |       |   |   |   |   |
| 13  | My supervisor is fair to me                                       |       |   |   |   |   |
| 14  | My supervisor is always ready to provide assistance               |       |   |   |   |   |
| 15  | My supervisor shows high interest in the feelings of subordinates |       |   |   |   |   |
| 16  | My supervisor give enough supervision to me                       |       |   |   |   |   |
| 17  | My supervisor understand the nature of my work                    |       |   |   |   |   |

4. The following statement relates to your states of satisfaction with nature of work at your

organization. Please indicate your level of agreement/disagreement by ticking  $[\sqrt{}]$  in the box for your exact feeling based on the scale below.

5= Strongly Agree 4= Agree

e 3= Ne

3= Neutral 2= Disagree

1= Strongly Disagree

|     |  | Scale |   |   |   |   |
|-----|--|-------|---|---|---|---|
| No. | Statements of satisfaction with Nature of work               | 1     | 2 | 3 | 4 | 5 |
| 18  | There is a good fit between my current job and my profession |       |   |   |   |   |
| 19  | I am happy with my job                                       |       |   |   |   |   |
| 20  | My job is enjoyable  |       |   |   |   |   |
| 21  | I feel a sense of pride in doing my job                      |       |   |   |   |   |
| 22  | The amount of workload in my current job is reasonable       |       |   |   |   |   |

5. The following statement relates to your states of satisfaction with coworkers at your organization. Please indicate your level of agreement/disagreement by ticking  $[\sqrt{}]$  in the box for your exact feeling based on the scale below.

| 5= Strongly Agree 4= Agree 3= Neutral 2= Disagree 1= Strong | gly Disagree |
|---|--------------|
| J = J = J = J = J = J = J = J = J = J =                     |              |

|     |  | Scale |      |      |    |         |  |  |
|-----|--|-------|------|------|----|---------|--|--|
| No. | Statements of satisfaction with coworkers                  | 1     | 2    | 3    | 4  | 5       |  |  |
| 23  | I like the people I work with.                             |       |      |      |    | -       |  |  |
| 24  | I enjoy with my coworkers.                                 |       |      |      |    |         |  |  |
| 25  | My coworkers are competence.                               |       |      |      |    |         |  |  |
| 26  | There is too much debating and fighting at work.           |       |      |      |    |         |  |  |
| 27  | I have good working relationships with my co-workers       |       |      |      |    |         |  |  |
| The | following statement relates to your states of satisfaction | with  | fair | ness | at | <br>you |  |  |

organization. Please indicate your level of agreement/disagreement by ticking  $[\sqrt{}]$  in the box for your exact feeling based on the scale below.

| 5= Strongly Agree | 4= Agree | 3= Neutral | 2= Disagree | 1= Strongly Disagree |
|-------------------|----------|------------|-------------|----------------------|
|-------------------|----------|------------|-------------|----------------------|

|     |  | Scale |   |   |   |   |
|-----|--|-------|---|---|---|---|
| No. | Statements of satisfaction with fairness   | 1     | 2 | 3 | 4 | 5 |
| 28  | Do you believe all employees treated equally in your organization?                     |       |   |   |   |   |
| 29  | Do you believe the organization rules and policies serve equally<br>for all employees? |       |   |   |   |   |
| 30  | Do you feel that you are fairly treated by the management of the organization?         |       |   |   |   |   |

The following statement relates to your intention of turnover. Please indicate your level
of agreement/disagreement by ticking [√] in the box for your exact feeling based on the
scale below.

| 5= St | rongly Agree 4= Agree 3= Neutral 2= Disagree                         | 1= Strongly Disagree |   |   |   |   |
|-------|--|----------------------|---|---|---|---|
|       |  | Scale                |   |   |   |   |
| No.   | Statements of satisfaction with intent to leave                      | 1                    | 2 | 3 | 4 | 5 |
| 31    | I plan to leave my current organization                              |                      |   |   |   |   |
| 32    | I look frequently new job opportunity                                |                      |   |   |   |   |
| 33    | I will leave voluntarily my present organization under any situation |                      |   |   |   |   |
| 34    | I often think about quitting   |                      |   |   |   |   |

The following statement relates to your absenteeism. Please indicate your level of agreement/disagreement by ticking [√] in the box for your exact feeling based on the scale below.

5= Strongly Agree 4= Agree 3= Neutral

2= Disagree 1= Strongly Disagree

|     |  | Scale |   |   |   |   |  |  |
|-----|--|-------|---|---|---|---|--|--|
| No. | Statements of satisfaction with absenteeism              | 1     | 2 | 3 | 4 | 5 |  |  |
| 35  | I often think about absent from job                      |       |   |   |   |   |  |  |
| 36  | I always think to be absent from my job by any reason    |       |   |   |   |   |  |  |
| 37  | Your level of awareness regarding your absence from work |       |   |   |   |   |  |  |
| 38  | I feel illness and absenteeism on work I do              |       |   |   |   |   |  |  |



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Annex B Interview Questionnaires with Human Resource Manager.

- 1. What is your view regarding reasons for employee intent to leave and absenteeism?
- 2. Do you make exit interview, when employees resign? What is their reason?
- 3. What kinds of organizations that voluntarily leaved employees were joined?
- 4. What is the view of current employees to stay in the organization?
- 5. What major costs do the organization incurred while recruiting new employee?