



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**EMPLOYEES TURNOVER AND IT'S CAUSES: A CASE STUDY ON
ETHIOPIAN REVENUES AND CUSTOMS AUTHORITY**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
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ACRONYMS/ ABBREVIATIONS

DDG	Director Depute General
EC	Ethiopian Calendar
ERCA	Ethiopian Revenue and Custom Authority
ETO	Employee Turnover
GC	Gregorian Calendar
HRM	Human Resource Management
PA	Performance Appraisal

ABSTRACT

This thesis assesses employees' turnover and its causes in the case of Ethiopian Revenues and Customs Authority. The study adopted a descriptive and causal research design to identify the employee turnover causes. Both quantitative and qualitative methods were used to gather information through the utilization of a questionnaire and interviews. A pilot study was conducted to test the questionnaires. Random and purposive sampling techniques were used to select samples according to Kothari formula (2004, p. 179) from the population and interviews were used for data collection. The respondents were drawn from the existing and ex-employees of the authority. Eighty three (83) questionnaires were issued to the ex-employees and seventy (73) were responded respectively. Documents that were received from the department were helpful in determining the turnover trend. Descriptive statistical and qualitative analysis method were used for data analysis. The study showed that the major causes for professional employees' turnover to be salaries and benefits, orientation, work environment, workload and fairness, relationship of management and supervisor with their subordinates, job satisfaction and related factor, and intention of existing employees to leave or stay. In overall, the research investigated the reasons why employees leave Ethiopian Revenues and Customs Authority and the reasons why they stay in the authority. The study further revealed that the authority does not have attractive salary and benefit package, the employee employer relationship was not good, there is job security problem, the employee reward program was not competitive, the work place were unfavorable, employees were handled unfairly and irrespectively . All those factors influence most ex-employees to leave and increased the intention of existing employees to leave the authority. The study recommended that the authority need compensation policy, retention scheme policy, modify promotion policies to implement zero-discrimination, implement more aggressive reward and recognition program, try to meet intentions of employees and create conducive working environment to retain its experienced and qualified employees.

Key words: Employees, Turnover, Retention, Ethiopian Revenues and Customs Authority

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Employee turnover is one of the most study important issues to organizations, and one that needs special attention. It has some significant effects on organizations; new employees must be hired and trained, it is also needed to consider the time required for a new employee to be effectively productive. Staffs turnover is a warning sign of low morale and it is the amount of movement in and out of employees in an organization. In general, employees either leave their jobs voluntarily by their own decision or forced to leave by the decision of the employer. Employee's turnover is one of the factors which affects the organization's productivity; which is considered to be one of the challenging issues in business nowadays. The impact of turnover has received considerable attention by senior management, human resources professionals and industrial psychologists. It has proven to be one of the most costly and seemingly intractable human resource challenges confronting by several organizations globally. Turnover of employees consists of both voluntary and in voluntary. Voluntary turnover is a major problem for organizations in many countries (Syrett, 1994).

There are also many discussions at international and national level on the relationship between various factors of turnover and its effect. For example, Ongori (2007) focused on sources of employee turnover, effects and forwards some strategies on how to minimize employee turnover in organizations. Gabriel and Thomas (2012) carried out a study on Ghana Banks to find out the relationship between employee turnover and its impact on performance. Samuel and Chipunza (2009) also identified intrinsic and extrinsic motivational variables influencing the retention and reduction of employee turnover in both public and private sector organizations.

At national level, in Ethiopia, employee turnover in the public sector not have been extensively researched and documented. However, employee turnover studies were conducted in Ethiopia by the researchers on different private sectors and NGO. For example, Biruk Wallelegn (2013) explores the professional employees' turnover in Ethiopian Bank of Abyssinia. Yohannes melaku (2014) also conducted a research on factors affecting employee turnover and its impact

on Ethiopian Evangelical Church Mekane Yesus. A research was conducted on staff turnover in international Non-Governmental Organizations (NGOs) a case study of International Rescue Committee (IRC) by Yared (2007).

Considering the above facts, organizations should understand why their employees leave and stay to reduce the reason of leaving the organization and the reason for staying in the organization to attract other competent employees from the market and achieve the ongoing concern of the organization. Therefore, there is a clear need to develop a better understanding of employee turnover and more specifically the causes that are key indicators of why employees leave the organization which would then have a profound impact on the strategies that managers can employ in order to reduce employee turnover within their organizations (Kevin, etal, 2004) it becomes very important that managers should control employee turnover for the benefit of the organization.

In Ethiopian even though few studies like: studies conducted on IRC, ERECMY and BOF shows about turnover of employees, there is no empirical studies conducted on public organizations employee turnover which were supported by formal and published research. Therefore the present study is done on Ethiopian Revenue and Customs Authority (ERCA) head office because of head office supports each branch office to exercise the tax and custom laws to collect the revenue that the economy generates. For example ERCA is responsible to collect a sum of 142.99 billion birr for year 2015/16 annual plan (2015/16). However, the human resource turnover is threatening to meet its mission and objectives of ERCA. Since employee turnover is a big issue in the organization. Currently most young employees are leaving the organization duo to unknown reasons. Hence, this study clearly identified the causes of employees' turnover and its management or retention mechanism will help in developing appropriate policy and training program at country level in general and at public organization level in particularly ERCA.

1.2. Background of the Organization

Ethiopian Revenues and Customs Authority came into existence on 14th July, 2008 by the merger of the Ministry of Revenue, Ethiopian Customs Authority and the Federal Inland Revenue authority. One of the reasons of the merger of the forgoing administrations into a

single autonomous authority is to be much more effective and efficient in keeping and utilizing information promoting law and order, resource utilization and service delivery to transform efficiency of revenue sector to high level. ERCA was established by Article 3 of the proclamation NO.587/2008G.C as one of the federal governmental organization. The General Director of ERCA is directly accountable and who reports to the prime minister. ERCA long term objectives focus on establishing modern revenue assessment and collection system, and customers with equitable, efficient and quality service; to enforce tax and customs laws, by preventing and controlling contraband as well as tax fraud and evasion, to collect timely and efficiently tax revenue generated by the economy; to provide the necessary supports with a view to harmonizing federal and regional tax administration systems. Thus, to perform its duties and responsibilities, the organization has five Deputy Director Generals namely; DDG for Customs', DDG for Enforcement, DDG for Modernization and Corporate and DDG for Addis Ababa Tax Administration Federal Negarite gazeta No .44, (2008).

ERCA has 35 directorate and 32 affiliated branch office including regions. (ERCA Organizational structure Review April 2014). Actual placement of staff is 9186 of the required of which male 4669 (50.17%) and female 4517 (49.83%) Total revenue collection in 2013/14 was USD 7 billion and Tax GDP ratio currently is 13.4%. Therefore, the researcher determined by only Head office. The total staff is 1134 of their required of which male 655 and females 479 permanent employee including 5 higher authorities who involve in decision making (August 2007 annual and 2008 eleven month report). This office is found in Addis Ababa bole sub city and worda 5 in megnaga. The research preferred to study employees' turnover due to the fact that based on the information obtained from the human Resource administration of ERCA there is no research conducted in the organization regarding turnover.

1.3. Statement of the Problem

In today's competitive business environment, it is considered to be an important task to manage employee turnover for any private and public organizations. Managing turnover successfully is an essential to achieve the organizational goals. The efficiency and productivity of public organization in general and Ethiopian Revenue and Custom Authority in particular are highly affected by employee turnover. For instance, in the past five years from 2005 to 2009 E.C from the total number of employees of ERCA Head office, 81(8.4%) employees,

155(15.6%) employees,, 213(20.5%) employees,, 198(17.7%) employees, and 179(15.8%) employees have leave the office respectively (annual reports from 2005—2009 E.C). Therefore, this research mainly focuses on the cause of turnover in one of the public organization (ERCA). Furthermore, this study also aims to provide a holistic view on factors considered for employees' turnover. Most of the studies on employee turnover have been undertaken in the context of business organizations. There is little much research work carried out in the context of public organizations.

Significant amount of research has been undertaken to understand the major causes of employee's turnover and retentions mechanisms that organizations should develop. Most of these studies were carried out by developed countries and few developing countries. Some studies indicated that every aspect of organizations is employees because turnover of employee leads to incurring of costs.

According to, Griffeth et al. (2000), job satisfaction and turnover are negatively related. There are factors such as dissatisfaction with pay level, lack of training and development career in the organization and, job security are the core factors of turnover (Price and Mueller, 1986); it is also stated that promotion factor will decrease employees' turnover. High turnover has become a problem for both private and governmental organizations. For instance Yohannes Melaku (2014) also conducted a research on factors affecting employee turnover and its impact on Ethiopian Evangelical church Mekane yesus. Conclude that the major cause of employee turnovers are lack of career advancement, job dissatisfaction, leaders unwillingness to participation in decision making and unfair training system were core factors for turnover. Another research was conducted on staff turnover in international Non-Governmental Organizations (NGOs) a case study of International Rescue Committee (IRC) by Yared (2007), conclude that the cause of turnover are a combination of factors which includes family problem, poor leadership, dissatisfaction with job, better opportunity in external market, and dissatisfied with work place.

Researchers agree that there is a growing problem related to employee turnover in the non-profit sector and therefore this area merits serious research attention. Over the past decades, staff turnover has become a major concern for private sector, yet only a few researches have attempted an in-depth study offering detailed consideration of causes of employee turnover in

the private sector, this indicating as a research gap. Accordingly, this study primarily focuses on answering the following basic research questions:

1.4. Research Questions

With the help of sufficient and appropriate empirical data on the causes of employee turnover in Ethiopian Revenue & Custom Authority Head Office, this study addresses the following basic research questions:

1. What are the trends of employees' turnover in ERCA?
2. What are the causes of employee's turnover?
3. What strategies are currently in place to minimize employee's turnover?

1.5. Objectives of the Study

1.5.1. General Objectives

The general objective of this study is to identify different factors that are affecting and aggravating or causes of employees turnover of the ERCA head office.

1.5.2. Specific Objectives

This study focuses mainly to attain the following specific research objectives

- ✓ To assess the five years trends of employees turnover in ERCA.
- ✓ To identify the major causes of employee's turnover
- ✓ To examine whether ERCA has a mechanism to reduce employees turn over in its organization.

1.6. Operational Definitions of Terms

Some of the variables or terms used in this research and other concepts are listed below;

Employee:-refers to a person working in Ethiopian Revenues and Custom Authority renders service.

Employee Turnover: - This term is rotation of workless around the labor markets, between firms.

Kifle ketema: - is subdivision of city administration.

Population: - is the total group of people from which the whole information is needed.

Woreda: - is the lower administrative level of government in decentralized system.

Area or field: refers to different functional divisions in Ethiopian Revenues and Customs Authority.

1.7. Significance of the Research

Upon the completion of this research, the following are its significance interims of:

- To assesses the causes of the employees turnover in the ERCA & provides important information about the existing problem of staff management in this organization;
- It provides sufficient data about the means for minimizing staffs turnover and set strategies.
- For the organizations policy makers.

1.8. Scope and Limitations of the Study

The study was assessing causes of employee turnover. It is restricted or delimited only to the assessing of turnover in ERCA Head Office. It does not consider branches, and other public organization. This is because the organization (ERCA) has large number of employees. It is unmanageable for the researcher to make an exhaustive study of all the affiliated branch and regional branch offices.

Therefore, this study tries to explore only the major current cause of employee turnover in ERCA that used descriptive design to achieve objectives. In terms of time dimension, the study concentrated on the last five years (2005-2009 E.C) experience. The limitations of this research were time constraint, unwillingness to give enough information from the management members of ERCA. The addresses of the former employees were very high challenge to find out them and they didn't trust me when I called them to fill the questionnaires. Their address was collected from the HR department records. However, some of the former employees had changed their telephone number. Therefore, it was very difficult to reach those employees. The other limitation in this study was little or no empirical studies that have been done in Ethiopian context on the issue particularly in Ethiopian Revenues and Customs Authority sector.

1.9. Organization of the Research

This research report comprises five chapters. The first chapter contains background of the study, background of the organization, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, limitation of the study, and operational definition of terms. The whole of the second chapter deals with review of reveal a gap in the related literature pertaining to turnover causes of in the ERCA head office. The third chapter consists of methodology and research design, data sources, sample design and population, the procedures of data collection and the methods of data analysis used the type of data and tools/instruments of data collection employed. Presentation and analysis of data are presented in chapter four. Fifth chapter include summary of findings, conclusions, recommendations and limitations of the study.

CHAPTER TWO

LITERATURE REVIEW

In this chapter literature and related views of various authors and previous research done are reviewed. In pursuit of this objective, the review firstly presents theoretical framework such as definition and type of employee turnover for the purpose of addressing how this construct validates the thesis and critically discusses a wide range of cause's that contribute to employee turnover through 7 factors. These factors are orientation about the organization and the job, benefit and salary package, job satisfaction and related factor, working environment, work load and fairness, relationships of manager and supervisors with their subordinates, intention to leave or stay and perceived Alternative employment opportunity. Lastly, review the empirical literatures on the causes of employee turnover are reviewed.

2.1. Theoretical Frameworks

2.1.1. Employee Turnover Definition and concepts

Turnover refers to retirement, resignation and redundancy. It is considered to be one of the persisting problems in organizations (Armistrong, 2009). Employee turnover has become the most widely studied phenomenon in organizational behavior research; there are many definitions in the literature regarding the term employee turnover. The term employee turnover is often used to describe the in and out of employee in the organization. However, Rion (2009) and Beam (2009) had defined employee turnover as a ratio comparison of the number of employees an organization must replace in a given time period to the average number of total employees. In an organization context, turnover can be defined as the termination of employee's intra-organizational career trajectory. This is composed of a sequence of job changes from change job entry to exit (NSDS, 2010).

In some studies employee turnover also indicate that turnover does not only include the voluntary termination of employment but also the involuntary termination of membership of an organization. According to Robbins (2003) definitions turnover is the voluntary and involuntary permanent withdrawal from an organization, and a high turnover rate results in

increased recruiting, selection, and training costs. However, this study will focus on voluntary turnover.

2.1.2. Types of Employees Turnover

The two general types of turnover which different researchers classified are voluntary and involuntary (Morrell, et al, 2001) or employee turnover may be classified into five categories:

A. Voluntary turnover Vs Involuntary turnover

Voluntary turnover is occurs when employee chooses to leave his/her organization for whatever reason at their own will (Dess& Shaw, 2001).

Involuntary turnover is arises when an employer decides to terminate the employment contract by layoffs and similar actions where the decision for an employee to leave is made by the company and not the employee. Allen (2000) states that involuntary turnover generally occurs for reasons which are independent of the concerned employee such as when organizations incur losses or unavoidable expenses, and perceive the need to cut costs, re-structure or downsize.

B. Functional Vs 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” (cited in Wikipedia).

C. Avoidable Vs Unavoidable Turnover:

A turnover that happens in avoidable circumstances is called ‘Avoidable Turnover’, where as “A turnover that happens in unavoidable circumstances is called ‘Unavoidable turnover (cited in Wikipedia)

D. Internal Vs External Turnover:

Turnover can be classified as ‘internal turnover’ or ‘external turnover’ (cited in Wikipedia). 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 or recruiting within the organization.

E. Skilled Vs Unskilled Turnover

Untrained, uneducated and unskilled positions often face high turnover rate. Without the organization or business incurring any loss of performance, employees can generally be replaced. On the other hand skilled and educated positions may create a risk to the organization while leaving. Therefore turnover for skilled and educated professionals incur replacement costs as well as competitive disadvantage of the business.

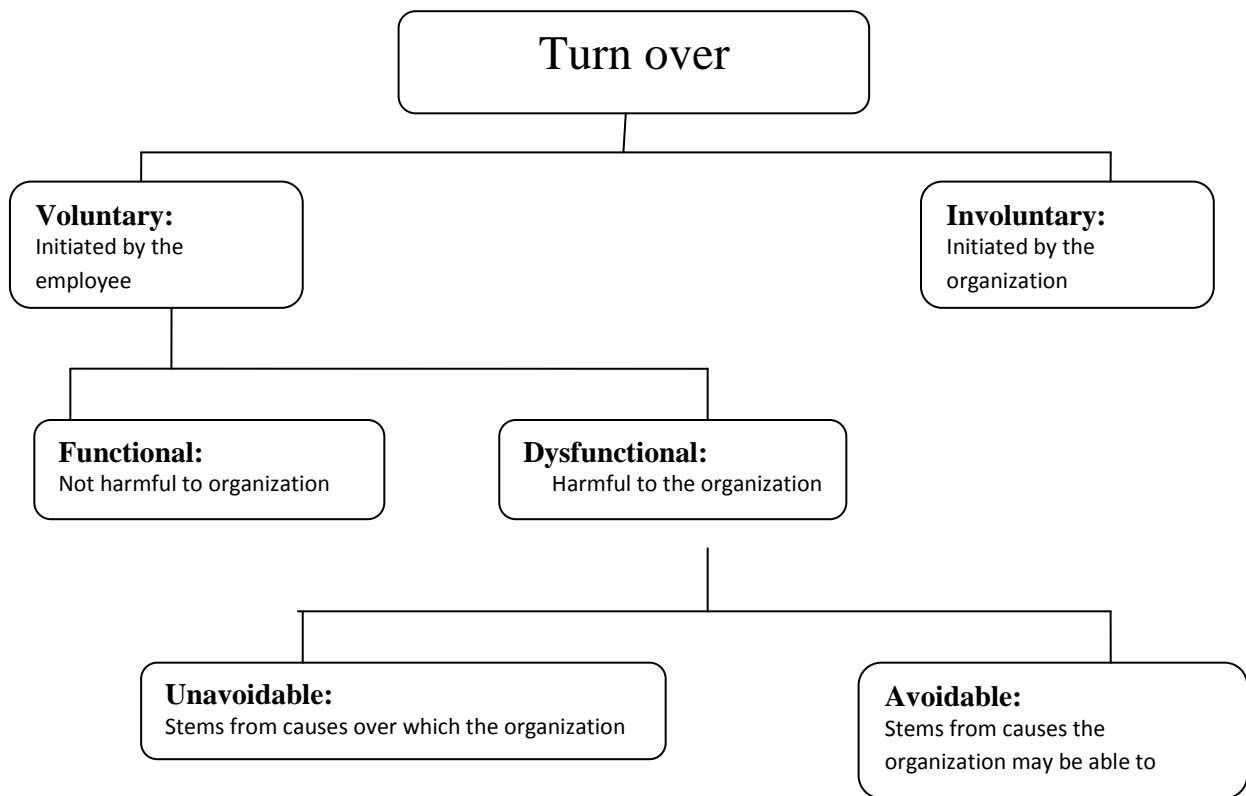


Figure 2.1 Types of Employees Turnover

Source: Loquercio, et al, 2001

2.1.3. Sources and Influencing Factors of Turnover

Different causes of voluntary employee turnover have been identified by different researchers on their studies dating back to the 1950's because employee turnover is considerably studied phenomenon (Curtis & Wright, 2004; Lema & Durendez, 2007; Torlak & Koc, 2007). Hence, causes of employee turnover are documented literature. Those causes include low salary, poor benefits, lack of job securities, poor recognition and lack of flexibility in scheduling

(Pendulwa, 2011). In line with this, those identified turnover causes affect the organization activities and hamper the successes of the organization at large. Besides, organizations are nothing without their employees and it is difficult to survive in a dynamic environment; hence, managers should play a big role to achieve the objectives of the organizations and treat their employees as one of their assets (Samuel and Chipunza, 2009). So, Managers should examine the sources of employee turnover and recommend the best approach to fill the gap.

To improve or reduce employee turnover rates first it requires an understanding of the sources and causes of turnover before taking action (Rampur, 2009). Adjusting salary, for example, may not reduce turnover if most of the employees leave because of dissatisfied working conditions or lack of career advancement. Hence, for the purpose of this study from the many causes of employee turnover the following are identified and categorized through reviewing different findings from various studies.

2.1.3.1. Orientation about the Organization and Job

Orientation is the process of familiarizing the selected new employee of organization. It is done through oral communication, arranging work place visit, documents referral including manual, policies, rules history of the organization, etc. *“A successful orientation process will help new employees from an attachment to your companies mission as well as improve their productivity within their positions ”* (Brown, 2007, page 213). To get new employees to a good start, a formal orientation program is a must. One way to take off the new employee is to assign them a supporter (Mondy, 2010). Formal orientation programs are effective in retaining and motivating employees, reducing turnover, and increasing productivity. In addition, to helping new employees assimilate rapidly into the culture of the employing organization. An orientation program should not consist of a one-day introduction, but should be planned and paced over a few days or weeks (Brown, 2007). This indicates that their new employees join the organization continuous orientation and introduction about themselves and the institution is necessary.

2.1.3.2. Benefits and Salary Packages

Adequate and flexible benefits can demonstrate to employees that a company is supportive and fair, and there is evidence to suggest that benefits are at the top of the list of reasons why

employees choose to stay with their employer or to join the company in the first place (Lockhead and Stephens 2004). Many companies are responding to the increasingly diverse needs of their employees by introducing a greater element of choice in the range of benefits from which their workers can choose. Flexibility in benefits packages can enhance retention, as it creates responsiveness to the specific needs and circumstances of individual employees (Rampur, 2009).

Employees always look for companies who offer more benefits and compensation package. This is the most common factors in remaining with the organization. Besides, compensation and lack of challenge and opportunity were the most common factors in contemplating leaving the organization (Rampur, 2009). In addition to this, unequal or substandard wage structures fall under salary and benefits category as a reason to leave the organization. This is clearly shown by Handelsman (2009) *“When two or more employees perform similar work and have similar responsibilities, differences in pay rate can drive lower paid employees to quit. In a like vein, if you pay less than other employers for similar work, employees are likely to jump for higher pay, if other factors are relatively equal.”*

On top of things, the most common reason for employee turnover rate being so high is the salary scale because employees are usually in search of jobs that pay well. Those who are desperate for a job may take the first one that comes along to carry them through searching for better paying employment. Also, employees tend to leave an organization because of unsatisfactory performance appraisals. Low pay is good reason as to why an employee may be lacking in performance (Cook and Crossman, 2004). Employees prefer other companies which may provide them with higher posts and increased compensation packages (Rampur, 2009). Hence, the salaries of employee need to be increased, which will not only retain the present employees but will attract employees of other organization as well (Irshad, 2009). High employee turnover could also be due to no potential opportunity for advancements or promotions.

If the job is basically a dead-end proposition, this should be explained before hiring so as not to mislead the employee. The job should be described precisely, without raising false hopes for growth and advancement in the position. Since employees generally want to do a good job, it

follows that they also want to be appreciated and recognized for their works. Even the most seasoned employee needs to be told what he or she is doing right once in a while (Shamsuzzoha, 2007).

Career advancement may affect turnover decision through several different channels such as the current level of career attainments, recent upward mobility, and the future prospect of career advancement along the job ladder in an organization (Zhao and Zhou, 2008).

A lack of training, development and career opportunities are some of the major reasons for voluntary turnover. Irshad (2009) in his study finds that training and career development was found motivating factor which leads to retention and career development. Besides, Phillips & Connell (2003) concluded that to provide development opportunities for individual employees is vital for the organization in order to enhance employees' proficiencies and improve their chances of getting higher posts.

Lloyd and Leslie (2004) described the manager's commitment towards willingness of career development as "the critical battleground in career development is inside the mind of the person charged with supervisory responsibilities". It means that, managers or immediate supervisors towards consulting of their subordinate, in relation to career development are very weak and slow. Because of this, many managers do not perceive career counseling as part of their managerial duties. This inappropriate handling of career development program among employee of the organization leads to dissatisfaction and turnover.

Different researchers have identified that inadequate training and development program that does not reflect the specific needs of employees led to job dissatisfaction. Regardless of their position and title, employees are forced to leave their organization due to the absence of training (Sadra, 2012).

This indicates that different writers agree that training and development can provide a measurable return on investment are revenue generation, productivity/performance improvement and cost reduction.

It is vital for an organization to create an environment in which important information is freely communicated and in which employees are knowledgeable and perceptive of opportunities for

further self-development. In addition to this, various forms of training is logically a key to an organizations array of business practices (Vandenberg, Richardson and Eastman, 1999).

In line with salary and benefit packages, assistances or voluntary benefits provided by the organizations encourage employees to stay in the company (Rion, 2009). Organizations also use such assistances to create harmonious relationship in the organization. *"Offering voluntary benefits can help further important objectives for both employers and employees. Voluntary benefits-such as dental, long-term care and life insurance-can improve employers' employee retention and cost control objectives, while also addressing employees' growing concerns about a variety of financial issue"* (Nugent, 2009,page 211).

2.1.3.3. Job Satisfaction and Related Factor

Job status may play an important role in reducing turnover and organizations use it is a career reward and incentive to retain qualified employees (Zhao and Zhou, 2008).A bad match between the employee's skills and the job can also be a reason for an employee to leave an organization. *"Employees who are placed in jobs that are too difficult for them or whose skills are underutilized may become discouraged and quit. Inadequate information about skill requirements that are needed to fill a job may result in the hiring of either under skilled or overqualified workers"* (Handelsman, 2009).

The content of the work itself is a major source of satisfaction and research related to the job characteristics approach to job design shows that feedback from the job itself and autonomy are two of the major job-related motivational factors. Job satisfaction is perceived as sentimental or emotional response to the job done by an employee's comparison of the true results achieved with the results the employee expects from the job environment. Job satisfaction is the extent to which people enjoy their jobs (Hirschfeld, 2000).

Although review of literature revealed a modest correlation between job satisfaction and performance, Greenberg and Baron (2003) stated that "Naturally, as working people, we all want to be satisfied with our jobs. Not only does satisfaction keep us from withdrawing from our jobs, but it also makes them more pleasant and enjoyable. And this, of course, is an important end in itself. Consequently, the two authors had suggested very important guidelines

for promoting job satisfaction and avoiding job dissatisfaction at work as make jobs fun, pay people fairly, match people to jobs that fit their interests, avoid boring and repetitive jobs.

2.1.3.4. Working Environment, Work load and Fairness

Effective career management means that at all levels in the organization there are well qualified workers who can assume more responsible positions as needed and that as many members of the organization as possible are highly motivated and satisfied with their jobs and careers (Lawler, 2005 and Mondy, 2010) .

Irshad (2009) in his finding, the area of work environment found that work environment to be a key factor in employee retention, it is also found that employee leave the job due to work environment and organizational justice (distributive justice and procedural justice). It also play pivotal role in employee retention, it is reveled from study that, if organization want to retain their prowess employees, organization must fallow fairness formula. So, organizations should realize that, working conditions in an organization have a role to play in deciding whether to stay or leave. These are the gaps that may be explored. Good working conditions may serve as a motivating factor to employees, in order to stay in an organization.

In line with this, the overall working environment of the organization should be favorable to employees and if the organization working environment is not conducive to most of the employees it contributes to employee turnover (Guyo, and Mwangi, 2011). In an unfavorable working environment employees do not want to stay; due to this, some employees jump from organization to organization because they prefer a working environment that is suitable for them. Recent studies conducted by Handelsman (2009) shows that if working conditions are substandard or the workplace lacks important facilities, such as proper lighting, furniture, clean restrooms, and other health and safety provisions, employees won't be willing to put up with the inconvenience for long. Likewise, if an employee finds an appropriate work environment which is suitable for them in a specific organization, they may work in that organization for several years.

Bajpai & Srivastava (2004) notes that, promotion are offer prospects of growth and career advancement. Since fair promotion policies are important to employees, they seek promotion

policies and practices that they perceive to be fair and unambiguous, and in line with their expectations. Postulate that promotion provides employees with opportunities for personal growth, more responsibilities and also increased social status. Therefore, the research indicates that employees who observe that promotion decisions are made in a fair and just manner are most likely experience job satisfaction.

Regular performance appraisal (PA) tends to be linked with improved performance and greater job satisfaction (Cook & Crossman, 2004). Furthermore, research indicates PA tends to focus on appraiser understanding of the situation and instruments validity rather than examining the views of appraise who are the subjects of PA. PA will not be effective unless it is perceived to be fair and equitable by both employer and employee. Eventually, unfair usage of PA would be reflected in widespread dissatisfaction amongst employee. This is generally the gap between expectations and results in the mind of the employees that fuels dissatisfaction and leads to turnover (Lawler, 2005 & Cook and Crossman, 2004). Therefore, appropriate performance appraisal should be conducted to retain employees and bring job satisfaction.

2.1.3.5. Relationship of Managers and Subordinates

The relationship between managers and employees influences employees' decision to stay in a job. Team leaders and managers have an important impact on employee turnover. Hence, the length of time that employees stay in an organization is largely determined by the relationship between employees and their managers (Dobbs, 2001). Likewise, the quality of team leader was a significant influence on intent to leave the organizations. Besides, little team leader and less support from manager in conducting the assignment will lead towards high level of stress and turnover intention (Mondy, 2010).

Employee's demands treated fairly and respectfully with support from managers and team leaders. Taylor (2002) mentions that employees need managers, who know and understand them and who treat them fairly. Employees also choose managers who can be trusted. If employees feel that their managers are fair, reasonable and supportive, their levels of job satisfaction increase. Besides, if the manager shows interest in the well-being of employees and is supportive and sensitive towards employees emotionally, employee job satisfaction also increases (Egan, Yang & Bartlett, 2004). Therefore, there is indispensable attention to the

importance of good relationship between manager, team leader and employees to the operation of organization in terms of minimizing employees' turnover.

2.1.3.6. Intention of employees to leave or stay in the organization

As turnover intention or intention to quite or leave is an individual desire or willingness to leave employer organization, turnover intention has been found to be one of the major determinants of turnover behavior. Although, all over the world, organizations have recognized that experienced and qualified people exploit the organization for better incentives, how to reduce employee's turnover intention is a very crucial challenge for today's HR managers since pay better incentives and employee's motivational techniques have been useless and old practices of the human resource management (Malik, etal, 2011).

The common factors affecting employees' satisfaction and the likeliness to leave were satisfaction with rewards and recognition, task identity, feedback, number of positions held at the company, age, and satisfaction with position as an indicator for likeliness to seek a position with another organization (Elangovan, 2001).

2.1.3.7. Perceived Alternative employment opportunity

International journal of Humanities and social science classified employee turnover as internal or external. When employees leave their current job take new role or position within the same organization called an internal turnover. External turnover will happen when employees quit their current job to other organization (Flex, 2012).

Perceived alternative employment opportunity also known as perceived ease of movement. Is the perception of the availability of job alternatives (Luthans,, 1995). This perception is an uncontrollable factor because it is closely associated with the external environment, such as availability of job vacancies and unemployment rate. In an early study of (Mincer, 1988); they revealed the significant relationship between availability of jobs and voluntary turnover. Numerous studies acknowledged that the perception triggers the turnover intention (Carsten, and.Spector, 1987). In addition to the market condition, educational background may affect the perception too.

According to Cotton and Tuttle, (1986), investigated that workforce with higher educational background perceived more employment opportunities and availability of alternative job opportunities had significant positive impact on turnover intentions.

2.1.4. Retentions of Employees

At this time, organizations need to be concerned about retaining their workers since retaining valuable employee is one of the important issues for competitive organizations as hiring is not an easy process and recruiting the right candidate is a time consuming process, an organization invests time and money in training an individual and make them ready to work and understand the corporate culture. To retain employees, the organizations must review their career plans and reorganize those plans according to the market so that intelligent and talented employees could serve more and would be beneficial in the long run (Nadeem et al, 2011). Besides, today employees are the most valuable assets in any company (Ongori, 2007); hence, it is better for organizations to continue working with their current employees than to encourage labor turnover by hiring new employees. This may be akin with the Amharic proverb the devil you know is better than the angel you do not know.

2.1.5. Effort to Retain Employees

To be effectively retaining workers, employers must know what factors motivate their employees to stay in the organization and what factors cause them to leave. So, reducing employee turnover is a primary goal for almost every human resource professional (Catherine, 2002). By reducing employee turnover, organizations save money on recruitment and training, as well as encouraging a stable and experienced workforce. Since retention of employees is one of the most important ongoing practices of human resource management, efforts to increase employee retention start with improving the recruitment and training process, but continue on to providing challenging, interesting work, a cooperative work environment, and comparable compensation programs (Irshad, 2009). Additional factors that contribute to reducing employee turnover include opportunities for professional growth, additional training, and organizational stability. Therefore, it is always important to keep professional employees in any organization in order to improve the kind of service that is provided to the relevant customers (Nadeem et al. 2011).

2.1.6. Retention Strategy

As retention strategies are complex and are not easy to implement, a review of literature indicates a wide and diverse range of potential retention strategies. In order to in effect the retention strategies, the employees, and their managers or supervisors need to be actively involved in the development and implementation of the strategies. Managers need to have a clear understanding of the needs, abilities, goals and preferences of the workforce (Pendulwa, 2011). In line with this, more effort should be done to improve retention by taking in to consideration of the many factors such as better recruitment effort, review job content, compensation practices, leadership and supervision, career planning and development, alternative work schedule, working conditions, non-work factors, team building, centralization, organization communication and commitment, counseling leavers, flexible working hours, compressed work week, employee involvement, proper exit interview policies for turnover, and recognitions (Rehman, 2012 & Achoui and Mansour,2007).

In addition to the above, given the growing needs for organizations to retain best employees they face a competition. Samuel and Chipunza (2009) in their findings suggest that, certain variables are crucial in influencing employees' decision to either leave or remain in an organization. Such variables include training and development, recognition/reward for good performance, a competitive salary package and job security. Nonetheless, the importance of other variables should not be under estimated when formulating a retention policy. It is only a comprehensive blend of intrinsic and extrinsic motivational variables that can enhance retention and reduce the high rate of employee turnover in various organizations (Nadeem et al. 2011). So, for those organizations who are struggling of retaining employees they must understand the requirements of the employees and the factors discussed below. This could help in retaining the best professional employees for the long run success.

2.1.7. Basic Strategies to Retain Employees

I. Competitive and Fair Compensation

Competitive and fair compensation is a fundamental starting point in most strategies to attract and retain good employees specially those employees whose gives outstanding performance or unique skill which is necessary to the organization because company finance more amount on

their training and orientation (Lawler 2005 and Smith 2006). However, there is general agreement that compensation levels do not single-handedly guarantee employee retention. Common best practices include the use of industry surveys to benchmark and position wage and salary structures to be fair and competitive. Pires, 2009, page 145 enforces this idea by concluding as *“Develop competitive compensation and benefit packages. Understand and research market pay ranges in your area and consider the value of benefits and employee perks; offering such extras to your workforce may be the key to your retention efforts”*.

Employers would be able to retain and attract well-qualified and professional employees if they would make it a point to offer salaries that would be competitive in order to achieve better financial position (Hansen, 2002). This would possibly resolve the problem of employees leaving based on low salaries. Employers should also offer attractive benefit packages.

There are many employees who are not aware of the benefits that are provided to them in their compensation package. The employers need to reduce their bureaucratic procedures in order for the employees to receive the best available benefits without any difficulty. They should make a note of what all benefits other organizations are providing, which may attract their current employees. Also, companies need to evaluate and modify their promotion policies in a fair way which would enable promotions for candidates only on the basis of employee performance (Rampur, 2009).

II. Recognition and Rewards

Recognition and reward for well-done employees were found to have significantly accelerates retention of employees in the organization. Besides, it can contribute to a workplace culture of respect and appreciation for employees and work well done, and thereby reinforce employee commitment to the firm. Rotundo (2002) in his study contends that reward systems should be a weighty domain of innovation for employer. Recognition and Rewards include a diverse range of formal and informal, financial and non-financial incentives given to individual employees or groups of employees or to an entire staff. They include such things as employee of the month awards, company sponsored sports teams and social events, prizes, clothing, and so on.

Employees, especially those with esteem and self-actualization drives want to be appreciated and rewarded, not necessarily with money, but by openly acknowledging their achievements and contribution to the attainment of organizational goals and objectives. This corresponds with the findings by Johnson (2007) which shows that two-thirds of respondents in the research known that lack of appreciation was the major factor in driving them to leave their organizations. Hence, it is important to let your employees know that their work does not go unnoticed since employees are more willing to stay with a company if they feel a sense of pride and success in their work. Besides, when employees meet or succeed your expectations, show your appreciation for a job well done.

III. Training, Professional Development, and Career Planning

Training, professional development and career planning are effective ways to enhance employee retention. Training constitutes a visible investment that the company makes in the worker, providing him or her with new skills, and greater competencies and confidence. Training often leads to work that is more intrinsically rewarding. Combined with effective communication about how an employee's efforts at developing skills will lead him or her to more challenging and meaningful positions within the company and training encourages workers to make longer term commitments to their workplace. It permits them to see a future with the company. Many have put in place effective internal promotion programs that allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within the company (Dobbs, 2001). Catherine (2002) indicated that career development plan for the employees play a vital role in the retention of employees. Providing these career development opportunities helps to restrict employees from leaving the organization and increase in loyalty.

IV. Orientation

Good initial orientation to the newly-hired employee can not only help to effectively integrate that person into the workplace but can also help to make the new person feel welcome and provide him or her information about how to cope with the demands of the workplace, and any possible problems that may arise. The employee customizes the work environment as soon as

possible through induction process and it can help to retain employees to employer (Robbins, 2003).

V. Conducive Working environment

It takes on a variety of forms, including those directed at the physical work environment (cleanliness, safety, ergonomics, etc.); health practices (supporting healthy lifestyles, fitness, etc.); and social environment and personal resources (organizational culture, a sense of control over one's work, employee assistance programs, etc.). Healthy workplace initiatives not only improve the health and well-being of individual employees, but contribute to business performance objectives including employee retention (Rehman, 2012). The researcher is forming the conclusion that flexible work schedule will increasingly be an important issue in the efforts to retain an organization's critical employees (Dobbs, 2001). Hannay & Northan (2000) argued that future opportunities for the employees also help in retaining employees because these opportunities are associated with more pay, additional work responsibilities, superior work environment and different incentives plans. Enhancing open lines of communication between managers and employees can improve the overall quality of working relationships. Many interventions designed to make the workplace more hospitable can lead to improved retention (Griffeth & Hom, 2001).

2.1.8. Effects of Employees Turnover

Employee turnover is expensive from the view of the organization. Voluntary quits which represents an exodus of human capital investment from organizations and the subsequent replacement process entails manifold costs to the organizations. These replacement costs include for example, search of the external labor market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit John (2000). Addition to these replacement costs, output would be affected to some extent or output would be maintained at the cost of overtime payment. The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations (DeMicco and Giridharan, 1987; Dyke and Strick, 1990; Cantrell and Saranakhsh, 1991; Denvir and McMahan, 1992). Many researchers argue that high turnover

rates might have negative effects on the profitability of organizations if not managed properly (Hogan, 1992; Wasmuth and Davis, 1993; Barrows, 1990). Hogan 1992, nearly twenty years ago the direct and indirect cost of a single line employee quitting was between \$ 1400 and \$4000. Turnover has many hidden or invisible costs Philips (1990) and these invisible costs are result of incoming employees, co-workers closely associated with incoming employees, co-workers closely associated with departing employees and position being filled while vacant. And all these affect the profitability of the organization. On the other hand turnover affects on customer service and satisfaction Kemal et al. (2002). Catherine (2002) argue that turnover include other costs, such as lost productivity, lost sales, and management's time, estimate the turnover costs of an hourly employee to be \$3,000 to \$10,000 each. This clearly demonstrates that turnover affects the profitability of the organization and if it's not managed properly it would have the negative effect on the profit.

Research estimates indicate that hiring and training a replacement worker for a lost employee costs approximately 50 percent of the worker's annual salary (Johnson et al., 2000) – but the costs do not stop there. Each time an employee leaves the firm, we presume that productivity drops due to the learning curve involved in understanding the job and the organization. Furthermore, the loss of intellectual capital adds to this cost, since not only do organizations lose the human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets Meaghan et al. (2002). Therefore, if employee turnover is not managed properly it would affect the organization adversely in terms of personnel costs and in the long run it would affect its liquidity position. However, voluntary turnover incurs significant cost, both in terms of direct costs (replacement, recruitment and selection, temporary staff, management time), and also (and perhaps more significantly) in terms of indirect costs (morale, pressure on remaining staff, costs of learning, product/service quality, organizational memory) and the loss of social capital Dess et al. (2001).

2.1.8.1. Effects on the Organization or Employers

- Direct recruitment costs (advertising, use of agents etc)
- Recruitment administration (responding to enquiries and sending out application forms, equal opportunities monitoring)

- Selection costs (traveling expenses for candidates, psychometric testing, staffs time in interviewing or running assessment centers, checking references)
- Development costs (training the new employee using formal and informal development methods, induction training)
- Administrative costs associated with resignations (pay-roll arrangements, calculation of holiday entitlements, pension transfers, conducting exit interviews)
- Inefficiency in production or service provision (resulting from slackness on the part of the resigner, inexperience of the replacement employee and Inefficiencies resulting from a period in which the vacancy is unfilled)
- Overtime and costs of hiring temporary workers (during the period between resignation and the hiring of a new member of staffs)
- The team spirit among the workers is distributed due to high staffs turnover as newly recruited very often.
- The market reputation of the employer is adversely affected due to high staffs turnover. May not be able to meet customer orders and expectations on timely manner.

Although not all of the above cost implications will apply in any one case of voluntary resignation, several are likely to feature in some way. Each element will not in itself necessarily result in a great deal of expenditure, but it is the cumulative effect that gives the business case for attacking turnover its potency. Estimates of the actual cost of turnover vary considerably depending on which of the factors listed above are included in the calculation. The level of the final figure also varies with the nature and content of the job under consideration. Ball-park figures are thus of only limited use to personnel specialists seeking to compare the performance of their organizations with others. However, they do give a useful indication of the potential scale of cost implications associated with high turnover.

2.1.8.2. Effects on Employees

Due to shifting of employment, a worker has to sacrifice the benefits of his previous service. Such benefits include pension, provident fund, yearly increment, leave and so on. All benefits go once workers give up his stable job. A worker develops special skills and ability due to long and continuous service in industry. This skill is his personal assets. However, it may become meaningless if the worker leaves the present job and joins a new one. The worker may not be

able to adjust on a new job in a new organization. This put tremendous mental pressure on him. A worker who changes his job quite often may be looked upon by others including employers with suspicion. The work environment changes when a worker shifts from one unit to another. He may find it difficult to adjust to a new environment.

2.2. Empirical Reviews Related Literature

2.2.1. Conceptual Framework of Employee Turnover

The conceptual frameworks for the study taken turnover intention as dependant variable and, salary and benefit, job satisfaction, work environment and management relationship with employees are taken as an independent variable. Addressing these issues could also be considered as addressing what effect can bring employee turnover on job satisfaction.

A. Major cause of Employee Turnover

A survey conducted in Kenya sugar factory Hannah (2012) indicated that lack of training and poor training handling system was one of the major causing employees to leave their organization. The company conducts or provides limited chance of training for its employees assigned in different work area.

Different researchers identified that inadequate training and development program that not goes to specific needs of employees led to job dissatisfaction. Regardless of their position and title, employees forced to leave their organization due to the absence of training (Sadra, 2012).

David and Stephen (2005) Career development is another leading cause that contributes to employee turnover. Another related research conducted in government owned university of Samara revealed that, 25% of the teachers who left their job stated that poor management system, lack of equal opportunities were the basic reasons to quit their job, (Admassu, 2003). And Yohannes (2014), 76.7% of employee concluded that pay level, salary and benefits packages, 60% concluded that there were poor relation with the management and employee, 64% indicated that employees were not allowed to participate in the decision making process, employees feeling to the organization indicated that 81% have intention to leave the organization if they get any opportunity.

According to Beruk (2013), 75% of respondents conclude that they were not satisfied with the overall work environment of the bank, 90% respondents conclude that the job had not good promotion and 97% indicates that no recognition for well done work.

According to Getahun (2005), research conducted in government owned college revealed that payment and poor management system are some of the serious and basic factors for employee to quit. According to the research conducted in 10 agricultural colleges, 82% of employees in the colleges have an intention to leave their current job.

B. Employee Retention Strategy

Employees leave organizations for many reasons; oftentimes these reasons are unknown to their employers. Employer need to listen to employees needs and implement retention strategies to make employees feel valued and engaged in order to keep them. These retention methods can have a significant and positive impact on the organization turnover rate (Sarah, 2009).

India employee retention survey research report (2007) indicates that most of the employees' respondents put different options that are expected from companies undertaken to counter unwanted employee turnover. The survey indicates that the respondents conclude that 80% salary increase, 73% career advancement, 63% recognition, 57% training and development and 45% Human Resource policy and Rules are the major intervention used to ascertain employee retention strategy.

C. Mechanisms to reduce Employees Turnover intention

Strategies how to minimize employee turnover, confronted with problems of employee turnover, managements' has several policy option, changing or improving existing policies towards recruitment, selection, induction, training, job design and wage payment (Sadra, 2012).

According to Yohannis (2011) previous studies to pay attractive salary, cover medical expense, to give faire training, development and career opportunities, smooth relationship within employers and employees are the major mechanisms of reduced employees' turnover in a certain organization.

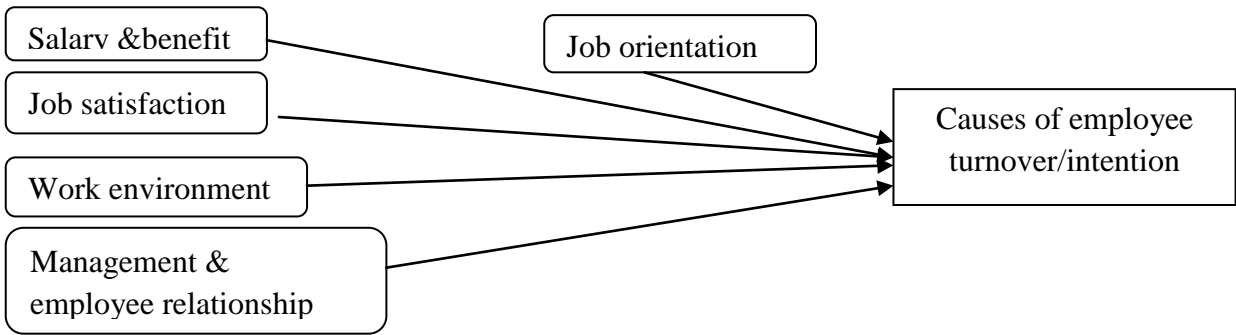


Figure 2.2: Conceptual framework of employee turnover intention

Source: Loquercio, et al, vol. 4, No.9, 2013

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Introduction

Research methodology is the specific science of research that followed to accomplish predetermined research. Hence, all specific method that is used in the course of accomplishing this thesis is presented here. This chapter discusses the research procedures and activities of the study. It includes the research design, research method, data source, sampling techniques and population, data collection methods and data analysis.

3.1. Research Design and Approach

Research design refers to the research plan or the overall strategy of the study (Eshete and Mehreteab, 2013). Research design is a plan or a blueprint of how to design conducting the research (Babbie and Mouton, 2001). Since this research contains clear objectives derived from research questions and specifies the source from which researcher intends to collect data, the major purpose of this research, therefore, is to describe the professional employee turnover causes as it exists at present in ERCA.

There are different types of research methods to conduct studies. However, among those methods this research was employed descriptive and causal type of research method to gather information about the present causes of employee turnover at ERCA conditions. The researcher reasons to select this method is that the researcher has no control over the variables. This method is also used to measure and used some qualitative information to know the current conditions of ERCA with regard to professional employees turnover causes.

Therefore, mixed research approaches were employed for this study completion to generate rich data from multiple sources, which are both quantitative and qualitative type. The quantitative approach was applied to identify the trend of professional employee turnover causes in the organization. Some qualitative information was also gathered from the organization by using interview check lists. In line with this, to address the employee's turnover and it's causes in the case of ERCA under investigation to provide possible recommendations. So, the researcher used both primary and secondary data as a source of data collection.

Primary Data was collected by a questionnaire that was developed by the researchers on the basis of literature review and distributed for current and ex-employees to collect quantitative data that was used to fulfill the objectives of the study. The completed questionnaires have provided useful information in such a way that the respondents may reveal their attitudes on issues relating to employees turnover causes that was used to understand them as factors in the ERCA. Furthermore, interviews were conducted with the HR director of the ERCA so as to assist in the analysis of data to confirm and further explore the results. In addition, Departmental documents and records were analyzed to explore turnover trends. Then, all the data were collected and identified the causes that contribute to employee's turnover among ERCA employees interpretation was conducted. Finally, conclusions and recommendations were forwarded.

3.2. Sampling Technique and sample Size

Sample techniques and population of the research consists of population of the study, sampling technique, sampling size and sampling frame.

3.2.1. Target Population

Population is defined as the total number of units from which data can potentially be collected. Scholars do not agree on the exact proportion of the accessible population that should form the sample size. Mugenda and Mugenda (2003) suggest that in descriptive studies ten percent of the survey population is representative enough to generalize the characteristics being observed. Therefore, the total number of ex-employees of Ethiopian Revenue and custom Authority the last five years including higher officials was 826(Eight hundred twenty six). The institution was also structurally organized by 5 higher authorities of management bodies and 35 directors. Thus the researcher chooses to classify the overall population into five main strata. These strata are General Director Office process, Modernization and Corporate Division, Customs program, Enforcement Division and Tax Administration Division. Specifically proportionate stratified sampling was conducted in order to increase the chances of being able to make comparisons between strata. The units selected from each stratum are proportion to the corresponding stratum population. Therefore, 10% (83) of representatives the former last five years ex-

employees from the total populations were involved to fill the questionnaires based on Mugenda principle of descriptive sample study suggestion.

3.2.2. Sampling Frame

This was a list of people from which the sample would be selected. Based on Merga, (2015), it can be one of two things: either a list of all members of a population, or a method of selecting any member of the population. Thus, description method was selected as a method to select the sampling frame. It describes the present and the past event of employees' turnover and from the total population, experts, process owners, and directors; managers and administrative former workers from both sexes were included.

3.2.3. Sampling Technique

In the process of conducting this study, both probability that is stratified and simple random sampling techniques for ex-employees respondents; and non probability sampling method that is purposive for human resource managers used to select the study respondents. The data was collected using stratified random sampling technique for ex-employees, because the head office of ERCA was structured in to 5 directorate division/strata/ and after the strata applying simple random sampling method for the listed employees included in the sample. Stratified sampling is used to achieve representation of the respondents. The respondents are stratified on the basis of there are structured under five director division. The target population of this research under all division refers to the 826 last five years ex-employees in five directors division the stratified sampling is applied in order to identify the number of sample employee selected from each five division. The stratified random sampling is also used again to identify the employees of each five directors division were 83 employees fill the questionnaires. Hence 10% (83) of ex-employees from the total population were involved in fill questionnaires. The management bodies were also selected as respondents using purposive sampling method of non-probability technique as they are manageable in number.

3.2.4. Sample Size

The sample size refers to the number of respondents to be included in a research study. According to Catherine (2009), the correct sample size in a study is dependent on the nature of the population and the purpose of the study. Sampling is a 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, p 47-48). Although there are no general rules, the sample size usually depends on the population to be sampled. In this study to select sample size, a list of the ex-employees for the year 2009 E.C in the ERCA head office are included. To determine the sample size, the researcher used ten percent of the survey population formula of probability sampling method; the target population of this research refers to the 826 former workers in 35 directorate ex-employees. The stratified sampling was applied in order to identify the number of sample ex-employees selected from each (5 divisions) 35 directors were 83 employees. Hence, 10% (83) of last five years former employees from the total populations were involved to fill the questionnaires because of unmanageable number of ex-employees that not addressed them easily.

Accordingly, 83 respondents are selected from the total population of 826 ex-employees. This proportion is allocated to functional five processes owners. Accordingly, on the proportional allocation from General Director Office and Addis Ababa Tax Administration process ($50/826*83=5$) respondents employees, Director Depute General for Domestic Tax Division ($119/826*83=12$) employees, Customs program ($70/826*83=7$) employees, Enforcement Division ($199/826*83=20$) employees, and Modernization and Corporate Division ($388/826*83=39$) employees respondents will be considered in the sample (ERCA HR database of employees). The former managers of the head office were included in the sample by purposive sampling technique.

3.3. Types of Data and Tools/Instruments of Data collection

In order to collect the pertinent data, the methods of data collection is the most vibrant part in any research because incorrect data can have an impact on the results of the study resulting into worthless results which it can say losses the whole purpose of the study. Therefore, a vigilant attempt was made in order to ensure that the data collected for this research would provide a

meaningful insight to the purpose of this study. Hence, the researcher used both primary and secondary data as a source of data collection.

Some of the methods that can be used in gathering data in a survey are personal interviewing, telephone interviewing and self-administered surveys. In this study, data was primarily collected through the utilization of questionnaires and interview. The data were collected through questionnaire filled by the left staffs of the ERCA. Besides the questionnaire, face-to-face interviews with the head office management were conducted. In interview, through direct personal investigation researcher collects data personally from the sources concerned. Interview helps generate in depth information and gives greater flexibility for questions, and was suitable for intensive investigations and interviews were selected as data gathering tools in this study face to face discussion were carried because it is useful to cross check all the information gathered from employees with that of higher authorities. Hence, from five department heads, face to face interview was carried out with 5 directors.

The questionnaire was prepared to gather general information about the respondents' age, gender, marital status, qualification and year of service.

The questionnaire was prepared to ask respondents to answer on the causes of turnover. Questions in this part were assessed by using a 1-5 Likert scale. Each question of the Questionnaire was assigned a number 1 indicating as strongly disagree, 2 indicating as disagree, 3 indicating as neither agree nor disagree, 4 indicating as agree, and 5 indicating as strongly agree. This part consists of 24 questions for ex-employees of ERCA to assess professional employee turnover which is divided in to five dimensions. Those dimensions were 1-benefit and salary packages, 2- relationship with management and supervisor, 3- job satisfaction and other related factor, 4- working environment, work load and fairness, 6- other reasons that force to leave for ex-employees .

According to Marguerite, Dean, and Katherine (2006), documents are other forms of data collection tool. Documents have been observed by the researcher including human resource center turnover documents in ERCA head quarter are part of sources used for data analysis (see annex). Accordingly, document Analysis was made to gather necessary information on number of employees exist and who left their job voluntarily or forced.

3.4. Procedures of Data Collection

The researcher intends to use the two categories of data collecting instrument both questionnaires and interview which were prepared for respondents. The questionnaire developed for both ex-employees were pilot tested to check clarity. Correction was made based on the feedback obtained from the pilot test session, and then amended questionnaire was delivered to the respondents. The research distributed questionnaire to the selected employees and ex-employees of ERCA. Additionally, interviews were conducted with management officials in face to face interaction. Then, questionnaires are collected from respondents.

Thereafter, the collected data was analyzed and changed into frequency and percentage. Finally, the results obtained were indicated by tables and figure and then interpreted.

3.5. Methods of Data Analysis

Data analysis means the categorizing, ordering and summarizing of data to get answers to research questions (Strydom, etal, 2005). Hence, the researcher obtained data through responses of questionnaires was collated into MS-Excel spreadsheets and compiled at first. Then the data was summarized, edited, coded, tabulated and analyzed. Editing was done to improve the quality of data for coding. Editing involved going through the questionnaires to see if respondents responded to questions and see if there are blank responses. Tabulation involved counting the number of cases that fall into various categories. A simple tabulation was used. Descriptive statistics data analysis method was applied to analyze quantitative data where data is scored by calculating the number and percentages. Qualitative data analysis method was also employed to analyze qualitative data gathered using the interview check list from human resource department.

3.6. Validity and Reliability of the Research Instrument

The validity and reliability of the data were checked carefully. Validity and reliability of scores on instruments, additional standards for making knowledge claims, lead to meaningful interpretations of data

3.6.1. Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004).

In this research content, the researcher has used questionnaires that their validity and reliability are checked and are modified according to literatures within the specific topic. Also an approval from advisor and other consultants was applied in order to increase the content validity. After that I have provided all questionnaires for respondents and collected carefully.

3.6.2. Pilot Test

According to Saunders, et al. (2009), the purpose of a pilot test is to refine the questions on the questionnaire in order to ensure that there is no ambiguity or bias so that the measuring instrument is fine tuned for data collection and to check the elimination of any ambiguities that may cause statements and instructions that may be confusing in the questionnaire. For the purpose of the study, 15 respondents participated in this study and there were randomly selected to test the questionnaire so that the necessary revisions were made before administration of the questionnaire to the target respondents and some ideas are modified concerning the questionnaires. The respondents did not include those in the target population of 287 elements.

3.6.3. Reliability

To ensure the reliability of the instrument in this case of study and the researcher has tested the reliability using Cronbach's Alpha (α). Cronbach's Coefficient (α) is calculated to estimate the internal consistency of reliability of a measurement scale. Cronbach's Coefficient is a reasonable indicator of the internal consistency of instruments that do not have right or wrong marking schemes, thus can be used for questionnaires using scales such as rating (Black & Leslie, 1999). For this particular study, the questionnaires Likert scale items reliability was checked by Cronbach's - alpha coefficient with the help of SPSS software and as shown below in table 3.1

Table 3.1 Reliability Statistics

Statement	Freq.No	No of Item	Cronbach's Alpha
Orientation about the organization and job related causes	73	3	0.70
Benefits and salary packages relates causes	73	9	0.801
Job satisfaction and related factor	73	5	0.785
Working environment, work load and fairness	73	10	0.795
Relation with employees and management related causes	73	5	0.815
Mechanizes of reducing employee turnover	73	4	0.801

Source: Own survey questioners, 2017

The table above shows there is an internal consistency between the constructs. This means all perception of respondents were causes of employees to leave the organization.

3.7. Ethical Considerations

Ethical consideration was among the main consideration of research. Before the data collection process all the necessary information about the study like who is conducting the study and for what purpose is the study conducted and other necessary information that respondents like to know were provided to all respondent so that it can help them to decide whether to participate or not in this study. Consequences and they are not harmed as a result of their participation or non-participation in the study. They were also guaranteed for the anonymity and confidentiality of their response

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1. Introduction

This chapter deals with the analysis and interpretation of the data collected from the former and current employees of the Ethiopian Revenues and Customs Authority through the distribution of questionnaires and the interviews sessions arranged with the concerned official of the organization. It also presents analysis of the data obtained from relevant documents consulted. Accordingly, this chapter is divided into four parts. In the first part of this chapter an attempt is made to discuss the characteristics of both current and ex-employee of ERCA. In the second part, detailed analysis and discussion of data collected through the distribution of questionnaires are presented. The third part also deals with the data obtained from document analysis. Finally, interview results forwarded by the HR director of the organization are given.

The questionnaires were prepared to be completed by professional ex-employees of the organization who left the organization voluntarily. Moreover, out of 826 professional employees of the organization who were left voluntarily under the period reviewed 83 were selected for the study. Out of this category of respondents 73(%) responded and returned the completed questionnaires. Since the return rate of the questionnaires distributed is more than 50%, the researcher is confident that the data obtained from the respondents will be sufficient enough to come up with realistic conclusions. And also researcher selected five of the management bodies purposively based on their relation to the topic. The Executive manager for ERCAs modernization division, directors of HR manager, Director of planning and follow up Director of change management and finally coordinator of HRM department. The researcher has presented the response of directors and officials with questions asked. Data was collected and analyzed in order to explain the cause of employee turnover in ERCA.

4.2. Characteristics of Respondents

The characteristics of the respondents were assessed from the point of view of gender, age, marital status, qualification and total year of services in the Ethiopian Revenues and Customs Authority. Accordingly, analysis and interpretation of the data obtained from the respondents are presented as follows:

Table 4.1: Demographic Profile of Respondents

No	Demographic data /Items/	Ex-employees responses n=73	
		N	Percent
1	Sex of respondents		
	Male	45	61
	Female	28	39
	Total	73	100
2	Age of respondents		
	Below 25 years	2	3
	25 -30 years	10	13
	31-36years	36	49
	36-40 years	23	32
	Above 40 years	2	3
	Total	73	100
3	Marital Status		
	Married	44	60
	Single	29	40
	Total	73	100
4	Qualification		
	12+2 /Diploma	7	10
	BSC/BA	59	81
	MSC/MBA	7	9
	PHD	0	0
	Total	73	100
5	Length of service year in ERCA		
	Less than 1 year	2	3
	1 to 2 years	2	3
	2 to 5years	38	52
	5 to 10 years	17	23
	Above 10 years	14	19
	Total	73	100

Source: Own survey questioners, 2018

Table4.1 shows the breakdown of the sample respondents selected from the ex-employees of ERCA in terms of sex composition, age range, marital status, educational qualification and length of service. As can be seen from item (1) of the table 1, out of 73 respondents, 45(61%)

are males and 28(39%) are females. Female representation in the study was thus less by 22%. The representation of women may be decrease due to the level of discrimination or bias of the study. However, there is an indication that there is gender in balance against females, particularly in professional positions. It is also possible to assume that the intention of female employees to leave the bank is less as compared to their male counterparts.

Relating to marital status of the ex-employees as can be noted from table4.1 of item (3), 44(60%) of them are married and the rest are single. This reflects that the employees who have family responsibility have the tendency of leaving the company and may be seeking for better income that enables them to fulfill the needs of their dependents.

As can be perceived from item (4) of table 4.1, most of the respondents possess first degree and above. Thus, 59(81%) have BSC/BA degree and 7(9%) possess MBA/MSC degree. Altogether, the number of those who possess first degree and above is 66(90%). This indicates that, the demand for qualified and experienced employee is high and the authority is likely to continue losing its qualified and experienced professional staff unless it is prepared to revise its employee retention strategies and motivate its employees to stay with the authority office.

Item (5) of table 4.1 above also divulges the length of services of the ex-employees involved in the study. In view of that, as the data indicate, 38(52%) have served in the authority from 2 to 5 years. On the other hand, 31(42%) of them have served the organization for more than 5 years. This shows that most of the employees leaving the ERCA are those who are senior and experienced. Incontestably, this will negatively affect the profitability and growth trend of the organization unless appropriate measures are taken to overcome the problem. This indicates that most employees have few years of work experience which is considered to be experienced employees are turning off the organization. Although in the interview section implied highly trained and experienced employees are quitting their jobs because of unsafe work environment. This entails that most employees have few years of work experience which is considered to be experienced employees are turning off the organization. Although in the interview section implied highly trained and experienced employees are quitting their jobs because of unsafe work environment. Therefore the organization's effectiveness can be highly affected.

4.3. Causes of Employees Turnover

Table 4.2: Contribution of Salary and Benefits Package to Employee Turnover

Response Category n=73								
No.	Items		Strongly disagree	Disagree	Neutra	Agree	Strongly Agree	Total
1	I left ERCA because I felt that I was not well in comparison to my experience, responsibilities and qualification	Freq.	0	2	6	40	25	73
		%	0	3	6	55	36	100
2	I left ERCA due to the number of vacation, Sick leave and Insurance policy (safety, health) set by ERCA	Freq.	7	33	19	4	10	73
		%	10	45	26	6	13	100
3	I left ERCA because I was not happy with assistance given by Authority in terms of school fee, leave for exams and subscriptions	Freq.	1	3	9	26	34	73
		%	1	4	13	36	46	100
4	I left ERCA because I was not happy with company's assistance for loans - housing, vehicle, personal and staff loans	Freq.	0	4	12	40	17	73
		%	0	6	16	55	23	100
5	I left the authority because I was not happy with the value and number of salary increments I received	Freq.	0	26	12	17	18	73
		%	0	35	16	23	26	100
6	I left ERCA because the amount of pay I received for my job was not equal to others doing similar works in other companies.	Freq.	7	2	2	22	40	73
		%	10	3	3	30	54	100
7	I left this because the performance bonus structure was not fairly rewards my effort	Freq.	12	18	10	16	17	73
		%	17	25	13	22	23	100
8	I left it because the Authority did not arrange continuous training and development programs to develop my skill	Freq.	16	15	4	15	23	73
		%	22	20	6	20	32	100

Source: Own questionnaire survey, 2017

Some writers stated that the most common reason for employee turnover rate being so high is the salary scale since employees are usually in search of jobs that pay well. This was clearly said by Johnson (2007) *"The prospect of getting higher pay elsewhere is one of the most obvious contributors to turnover. This practice can be regularly observed at all levels of the economic ladder, from executives and generously paid professionals in high-stress positions to entry-level workers in relatively undemanding jobs. However, there is considerable evidence that money is often not the root cause of turnover, even when it is a factor in an employee's*

decision to quit.” Accordingly, as can be seen from item (1) of table 4.2 above, the respondents were asked to confirm whether the authority had paid well in comparison to their experience, responsibilities and qualifications. As can be observed from the data, 65(91%) of the respondent confirmed that they didn’t paid well in comparison to their experience, responsibilities and qualifications. On the other hand, 6(6%) remain neutral. Moreover, 2(3%) of the respondents confirm that they had been paid in accordance to their experience, responsibilities and qualification.

According to the findings in item (2) of table 4.2, majority of the respondents which is count for 40(55%) felt that sufficient number of vacation, sick leave and insurance policy (safety, health) was given by the authority. Conversely, 19(26%) of the respondents remain neutral while 14(19%) of the respondents felt that the assistance of the authority given for number of vacation, sick leave and insurance policy (safety, health) were not sufficient. This implies that the number of vacation, sick leave and insurance policy (safety, health) were not been the reason for ex-employees to left the authority.

It is evident from different studies that employees always look for companies who offer more benefits and compensation package. Hence, as indicated in item 3 of table 4.2, 60(82%) of the ex- employee respondents were unhappy with the assistance given by the authority in terms of school fee, leave for exams and subscriptions. Some of the respondents account for 4(5%) were happy by the assistance given by authority in terms of school fee, leave for exams and subscriptions. The rest of the respondent which is 9(13%) remained neutral. This result infers that most of ex-staff resignations were related with the insufficient benefit of such assistances of education from the authority.

With regard to what extent respondents address their responses of happiness in the assistance of the organization in item (4) of table 4.2, 57(78%) of the respondents were not happy by the assistances given for loans. The finding indicates that majority of the ex-staff was left the authority due to discontent on the benefits given by the organization on loans such as housing, vehicle, personal and staff loans. On the other way, 12(16%) of respondents were remain neutral. However, 4(6%) of the respondents were happy by the assistances given by the authority for loans such as housing, vehicle, personal and staff loans. Thus, insufficient or

employees demand gap in the assistance provided by the organization influences employees to quite their job.

The frequencies and the salary increment per annum is one of the motivating factors of employees. They expect it readily and budget their personal expenditures based on the expected annual increment. So, according to the findings in table 4.2 of item (5) the data shows that 35(49%) of the respondents were not happy with value and number of salary increments. Furthermore, the data reveals that 26(35%) of the respondents were happy with value and number of salary increments whereas 12(16%) remained neutral. Hence, the value and the number of salary increment are not satisfied the respondents and it is the cause for quitting employees.

Employees are making sure about their salaries paid by their employers are whether it is equal or not with others employees doing similar work in other companies. If they realized that their salary is less than that of the other companies compensation, they are going to opt to quit their jobs. As can be seen from the data in table 4.2 of item (6), 62(84%) of the respondents are expressed their feelings as they were forced to left the authority because the payment was not equal to others doing similar work in other private organizations. Further, 9(13%) of the respondents feel that their salary were equal to others doing similar work in other any private and public organizations while 2(3%) of the respondents remains neutral. Therefore, no common best practices in salary scales include the use of industry surveys to benchmark and position salary structures in the authority.

Item (7) in table 4.2 above requests the level of agreements of the respondents' reason for left the authority due to performance bonus structure were fairly rewards or not based on their efforts. Hence, 33(55%) of them were attest their feelings as performance bonus structure was not fairly rewards their efforts. Besides, 30(42%) of them were feel that performance bonus structure were fairly rewards their efforts though 10(13%) of the respondents remains neutral. So, when the performance bonus structure was not fairly rewards employees efforts, it is the causes to depart their jobs.

A lack of training and development opportunities are some of the major reasons for voluntary turnover. Accordingly, as can be seen from item (8) of table 4.2 above the respondents were

asked to confirm whether the authority arranged continuous training and development programs to develop their skills. As the data show, 38(52%) of the respondents confirm that the bank did not arrange continuous training and development programs to develop their skills. On the other hand, 31(42%) of the respondent confirm that the bank arranges continuous training and development programs to develop their skills. In addition, 4(6%) remained neutral. Hence, the data reveals that one of the reasons for respondents to leave the authority was because of not obtaining continuous training and development programs from the organization to develop their skills.

Table 4.3: The Influence of Employee Management Relationship on Turnover of Ex-employees

Response Category n=73								
No.	Items		<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>	<i>Total</i>
1	I left ERCA because the management of the Authority did not shows a genuine interest in fixing the issues/problems in my role	Freq.	2	4	12	19	36	73
		%	3	6	16	26	49	100
2	I left it because they felt that the decline in the quality of supervision of top management and supervisors	Freq.	1	3	4	21	43	73
		%	2	4	6	29	59	100
3	I left the authority because my supervisor treats me unfairly and disrespectfully	Freq.	0	9	7	35	22	73
		%	0	12	10	48	30	100
4	I left it because my supervisor was not available to me when I had questions or need help	Freq.	0	9	14	31	19	73
		%	0	13	19	42	26	100

Source: Own questionnaire survey, 2017

As can be observed from item (1) of table 4.3, the respondents were asked to express their level of agreements about the management reflections in fixing the issues /problems in their role; the response of the ex-employees exhibit that 36(49%) strongly agreed, 19(26%) agreed. By and large 55 (75%) of the respondents agreed with the reason for left the authority were due to the management of the ERCA did not show genuine interests in fixing the issues/problems in their role. On the other hand, 12(16%) of the respondents remained in middle-of-the-road. Moreover, minimal number of respondents i.e. 3(9%) express their disagreement. As

confirmed by majority of the respondents the genuine interest that the management shows in fixing the issues /problems in the employees role were reasons for leaving the authority. And so, the authority should openly react in this regards to keep up its professional employees staff resignations.

As can be seen from the data item (2) of table 4.3, 43(59%) of the respondents strongly agree that they left the bank due to a decline in supervision quality of the top management and supervisors and 21(29%) of them are agreed on the statement. The relics of the respondents 4(6%), 1(2%) and 3(4%) strongly disagree, disagree and neutral on the questions under item (2) in the above table respectively. As confirmed by most of the respondents, 64(88%) the decline in supervision quality of the top management and supervisors were the cause for leaving the authority. Literatures from other studies confirmed that the quality of supervision was a significant influence for the employees to leave their jobs. Thus, the authority should adjust the way of managing and supervisions to create sound norms and cultures through open discussion with employees to show the quality of their supervision. Creating effective relationship with the employees may fill the gap of the thought about the quality of the top management supervisions and may improve the quality of supervisions from the feedback obtained from frequent communication of employees.

Since most of the employees of the authority are professionals, they want to be treated fairly and respectfully. Accordingly, item (3) of table 4.3 data indicates that, 22(30%) of the respondents are strongly agreed, 35(48%) agreed, 7(10%) are neutral and 9(12%) disagreed. Thus, 57(78%) of the respondents agree that their supervisors treat them unfairly and disrespectfully. Hence, it can be generalized that not treating employees fairly and respectfully is a cause of turnover. This implies that it has affected the cost of authority and needs good treatment of employees to retain them.

Research shows that a little supervision and less support from manager in conducting the assignment will lead towards high level of stress and turnover intention. Thus, in relation to item (4) of table4.3, when respondents asked the level of agreement on their supervisor availability when they had questions or need help, 50(68%) are agreed , 14(19 %) neither agreed nor disagreed and 9(13%) disagreed. The result clearly implies that ex-employees were

left the authority since their supervisors were not available when they had questions or need help. In line with this, if supervisors are not available at the time of employees need help; it has also hampered the public service since most of the activities of the authority are related with public services. Hence, dissatisfied public service providing may not be continue productive for the organization. So, the authority may not only lose its employees but also its tax payers due to the problem occurred by the supervisors not available to support the employees when they need help or have questions.

Table 4.4 Means score for Job satisfaction related causes respondents

No	Questions	N	Mean	Standerd Devation
1	I am not satisfied by my job due to the current situation of the organization	105	3.98	0.82
2	Lack of motivation to my job	108	3.94	0.88
3	There is lack of recognition for outstanding performance	107	4.00	0.86
4	There is lack of job security	108	3.89	0.90
5	There is lack of effective performance appraisal practice	108	4.01	0.83

Source: own survey questioners, 2017

Table 4.4 shows that the mean score on job satisfaction of respondents. The first item, that deals with satisfaction of employees on their current job had resulted in response of arithmetic mean of 3.98. This mean value indicates as most of the respondents agreed as they are not satisfied by their current situation. The second item questionnaire focused on to understand the employees motivation towards their job and the respondents agreed as they lack motivation to their job and the response rate mean relied on 3.94, which implies that most of them have low motivation on their job. Concerning the questionnaires of item (3), about recognition of outstanding performances in their duties and responsibilities the mean result was 4.00 which definitely show there is a serious weakness of ERCA on recognizing high performing employees. Regarding to lack of job security the arithmetic mean resulted on 3.89 which mean through less job security the employees are being initiated to leave the organization. 4.01 was the result to the fifth item which was about lack of effective performance appraisals practice.

The respondents' data reveals that the arithmetic mean is 4.01 that shows ERCAs performance appraisal practices are ineffective and does not encourage the employees to stay with the organization for longer period.

In general, the above results indicate most of the employees of ERCA are less satisfied and less motivated due to lack of job security, recognition and performance appraisal and initiate them to leave the organization very frequently.

Table 4.5: Job related issues as a cause of employee turnover for ex-employees

Response Category n=73								
No.	Items		<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>	<i>Total</i>
1	I left ERCA because my job had not good promotion	Freq.	0	5	0	42	26	73
		%	0	7	0	58	35	100
2	I left it because I had not feel secured in my job	Freq.	0	0	2	29	42	73
		%	0	0	3	39	58	100
3	I left ERCA because the authority did not give enough recognition for well done work and I was not appreciated at work	Freq.	14	2	4	31	22	73
		%	19	3	6	42	30	100
4	I left it because my qualification and experience were not considered for promotion and the opportunity were not been equal to other employees	Freq.	0	10	4	24	35	73
		%	0	13	6	33	48	100

Source: Own questionnaire survey, 2017

Lack of opportunity for advancement or growth can cause a high turnover rate for any organization. Besides, when employees are put in one place for long time without promotion possibly will leads them to the feeling that the job does not have good promotions and finally chooses to quit the job. Thus, as can be seen from item (1) of table4.5, although 68(93%) of the respondents agreed, 5(7%) of the respondents disagreed. Therefore, the largest part of the respondents leave the authority due to their job has not good promotions. This finding is concurred with the literature high employee turnover could be due to no potential opportunity for advancements or promotions. Besides, employees prefer other companies which may provide them with higher posts. Due to this, the authority is losing its experienced and qualified employees.

Employees always need to be secured in their job. When employees feel that they are not secured in their job they hunt another job in another organizations. Employers should give guarantee to their employees to feel that they are secured in their jobs. Otherwise, employee's turnover rate is high in the authority. Accordingly, the responses from the respondent on item (2) of the above table shows that, 42(58%) strongly agreed, 29(39%) agreed, and 2(3%) remains neutral. The data clearly shows that majority of the respondents which is 71(97%) of them are not feeling secured in their job. Thus, as authority to minimize the flow of its professional employees the management of the office as per their levels should involve themselves in the day to day functions of the employees and shows their belongingness to employees to feel as they are secured in their job. Besides, the organization is nothing without its employee. So, employees should feel secured in their job to retain them for the purpose of the ERCA operations continuity.

Research results are evident that employees that enjoy their work are employees that are truly interested in their jobs. So, five manager members need to make sure that their employees know that they have done a good job and recognize their achievements. Some managers fall short on this simple motivational tool. Furthermore, regardless of personalities, everyone wants to hear how valuable they are to the organizations, to know what difference they made on a job, and even to hear it repeatedly. In view of that, Table 4.5 of item (3) data reflects that, the ex-staff left the authority in relation to not getting enough recognition for well done work and not being appreciated at work responded as 22(30%) strongly agreed, 31(42%) agreed, 4(6%) neither agreed nor disagreed, 2(3%) disagreed and 14(19% strongly disagreed. From the result obtained, 53(72%) of the respondents agreed for the reason that they had not getting enough recognition for well done work and not being appreciated at work for left the authority. So, most of the ex-employee reasons left the authority were not getting enough recognition for well done work and were not appreciated at work by the authority. So, the ERCA implements recognition scheme criteria and develops the way to recognize employee for well-done workers at work to retain them from flow due to dissatisfaction of getting recognitions for their well-done work. This resignation reason of ex-employee affects the morale of the current staff and they may feel the same as ex-employees that is they may feel that they are not been recognized for their well-done work.

When employees do more work and get better experience and become more qualified in their education they demand promotion. Besides, every time when there is vacant for promotion they watch meticulously who is going to be getting the positions? If they are not selected for promotion they ask the criteria of selection for the promotions to compare themselves with promoted employee experience and qualification. If the promoted employee is less than their experience and qualifications, they feel that their opportunities are not equal to other employees. After ascertaining this unfairness, most employees resign from their job. Consequently, to see the reason of the ex-employees left the organization under table 4.5 of item (4) question was addressed. The results to this question were accepted by 59(81%) of respondents indicating that their qualification and experience was not considered for promotion and the opportunity were not been equal to other employees. On the other hand, 10(13%) of the respondent accept that their qualification and experience was considered for promotion and the opportunity were equal to other employees. Besides, 4(6%) remained neutral. From the result revealed, it can be say that the authority is not giving equal opportunity to employees when there is a promotion. So, the authority should implement transparent promotion that is disclosed to the employees why they fail to be promoted.

Table 4.6: The Influence of Work Environment, Work load and Management Decisions Fairness on Employee

Response Category n=73								
No.	Items		Strongly disagree	Disagree	Neutra	Agree	Strongly Agree	Total
1	I left ERCA because I was not satisfied with the overall work environment of it.	Freq.	7	9	0	22	35	73
		%	10	13	0	29	48	100
2	I left it because the amount of workload was not reasonable and sound	Freq.	17	9	2	35	10	73
		%	23	13	3	48	13	100
3	I left it because the authority was unfair in general and treat employees unfairly	Freq.	4	2	2	39	26	73
		%	6	3	3	53	35	100

Source: Own questionnaire survey, 2017

Researchers found that employees leave the job due to hostile work environment. On the contrary, good working conditions may serve as a motivating factor to employees, in order to

stay in an organization. Reviewing the results of questions in item (1) of table 4.56 above shows that, 57(77%) of the respondents left the authority due to the fact that they were not satisfied with the overall work environment of the organization while 16(23%) of the respondent substantiate that the working environment of the authority was not the reason to leave the authority. As per the response of the majority respondents unsatisfied by the overall work environment of the authority is among the reason that force employees to quit the organization. The five management members of they should go further to create the working environment to be coherent and conducive to minimize the number of professional employees left the authority.

Busy employees may leave the organization due to work load or over utilization of their capacity. The data collected from item (2) of table 4.6 questions show that, there is a large respondent of ex-employees who left the authority due to the amount of work they were given and felt that it was not reasonable and sound. Accordingly, as can be noted from the respondent 45(61%) were agreed. On the other hand, 26(36%) of the respondents feel that the amount of work they were did when they were employee of ERCA was reasonable and sound. Besides, 2(3%) were undecided. From the result of the data, it can be said that, unreasonable and unsound work load is the cause for turnover of ERCA employees.

The management of the organization should be fairly treat all employees in all aspects unless the rules and regulations of the organization forbidden them to do so. In all of the organization procedures impartiality affects the employees and encourage them to leave the organizations. Accordingly, through item (3) of table 4.6 questions were addressed to ex-employees to confirm their feelings whether the authority was fair in general or not and treat them unfairly. To a large extent, 65(88%) of the respondent confirmed that the authority was unfair in general and treat employee unfairly. In reverse, 6(9%) of the respondent were feel that the ERCA was fair and treat employees fairly. The ERCA should investigate the overall environment and solidify corrective measures to retain its professional employees.

Table 4.7: Personal reasons that forces employee to leave for Ex-employees

Response Category n=73								
No.	Items		<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>	<i>Total</i>
1	I left it because I returned to higher learning.	Freq.	42	26	3	0	2	73
		%	58	36	3	0	3	100
2	I left ERCA because of baby care.	Freq.	38	33	2	0	0	73
		%	52	45	3	0	0	100
3	I left it because of discharge due to continuous illness.	Freq.	35	36	2	0	0	73
		%	48	49	3	0	0	100
4	I left the authority because desire to be self-employed.	Freq.	31	17	4	2	19	73
		%	42	23	6	3	26	100
5	I left ERCA because better conditions being offered by competitors.	Freq.	2	9	0	19	43	73
		%	3	13	0	26	58	100

Source: Own questionnaire survey, 2017

As revealed in item (1) of table 4.7 above, respondents express the level of agreement on the statement ‘I left ERCA because I returned to higher learning’. As a result, 2(3%) of the respondents strongly agreed with the statement, 26(36%) disagreed, (42)58% strongly disagreed and (3)3% were neither agree nor disagree. This implies that almost all of the respondents, (94%) 68, were not left the organization because of they returned to higher learning. Likewise, item (2) of table 4.6 shows that, the respondents who strongly disagreed to the statement ‘I left ERCA because of baby care’ were 38(52%). The remaining respondents which is 33(45%) are disagreed and 2(3%) are neither agreed nor disagreed. This implies that majority of employees left the authority is not because of baby care.

Findings of the study according to item (3) of table 4.7 on the statement ‘I left ERCA because of discharge due to continuous illness’ reveals that, 35(48%) strongly disagreed and (36)49% disagreed. The result shows that, 71(97%) of the respondent their reasons to leave the authority were not due to continuous illness whereas the rest of the respondents 2(3%) remained neutral.

The research findings in table 4.7 of item (4) for the statement ‘I left ERCA because desire to be self-employed’ the respondent expresses their feelings. Accordingly, 19(26%) strongly agreed,

2(3%) agreed while 4(6%) remained neutral. On the other hand, 17(23%) disagreed and 31(42%) strongly disagreed. The result implies that most of the ex-employees are not left the authority for self-employed.

As can be observed from table 4.7 of item (5) above, the respondents were asked to express their level of agreement with the statement that read "I left ERCA because better conditions being offered by competitors". Accordingly, as can be seen from the response, 43(58%) strongly agreed with the statement, 19(26%) agreed with the statement. Thus, 62(84%) seemed to agree. On the other hand, minimal number of the respondents i.e. 9(13%) and 2(3%) of the respondents disagreed and strongly disagreed respectively with the statement. As confirmed by most of the respondents' reasons for left the bank were due to better conditions being offered by competitors. This reason is take the highest share among the causes for turnover. Thus, ERCA is expected to have better offer from the competitors to retain its experienced or senior employees.

Table 4.8: Correlation among job satisfaction with others

		Benefit and salary packages	Working environment workload and fairness	Relation with employee and mgt
Job satisfaction and related factor	Pearson Correlation	.631**	.691**	.514**
	Sig. (2-tailed)	.000	.000	.000
	N	108	108	108

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

The result in the correlation analysis shows that independent variable have a positive and significant relationship with the dependent variable. The study also proved that the relationship between Job satisfaction with benefit and salary packages, working environment, workload and fairness and Relation with employee and management does exist.

The correlation results on Table 4.8 shows the highest level of correlation coefficient of the relationship between Job satisfaction with benefit and salary packages which is 0.631. The correlation coefficient of Job satisfaction with working environment, workload and fairness is at 0.691 and Job satisfaction with the relationship between employee and management is at 0.514 which is interpreted as a very strong positive relationship.

4.4. Mechanisms of reducing employee turnover

According to Yohannis (2011) previous studies to pay attractive salary, cover medical expense, to give faire training, development and career opportunities, smooth relationship within employers and employees are the major mechanisms of reduced employees' turnover in a certain organization. This reviews the cause for employees' turnover and result from their responses presented in the tables 4.9.

Table 4.9: Responses on mechanisms to reduce employees' turnover related response

Questions	Valid	Freq.	Percent
1. Top management of the organization does their best to minimize employee turnover.	Disagree	67	92.6
	Neutral	3	4.6
	Agree	3	3.8
	Total	73	100.0
2. Management to concern the employees.	Disagree	70	95.3
	Neutral	1	1.9
	Agree	2	2.8
	Total	73	100.0
3. Management to create and implement different mechanisms to reduced employee turnover.	Disagree	65	89.8
	Neutral	4	5.6
	Agree	4	4.6
	Total	73	100.0
4. The organization does respond to employees need and wants.	Disagree	70	96.0
	Neutral	1	1.9
	Agree	2	1.9
	Total	73	100.0

Source: Own questionnaire survey, 2017

Table 4.9 presented the result on ERCA's mechanism of reducing turnover. Item1 deals with top management's effort to minimize employee turnover. The employees response regarding to management's effort on reducing turnover was answered by disagree 92.6%, agree only by 3.8% of the respondents and 4.6% of them chose to be neutral. Item2 show that 95.3% disagree, 2.8% of them agree and the remaining 1.9% remains neutral. This data prevails as

majority of employees think as the management does not concern about employees. Item 3 questions mechanisms that Management create and implement to reduced employee turnover. Majority of the respondents that account 89.8 % disagreed of mechanisms created and implemented to reduce turnover. 4.6% of them agreed and the rest 5.6% were neutral. This implies that the organization not put any solution to reduced employee turnover. Item 4 show that 96.0% of the respondents believe that there is no response to employees' expectations, only 1.9% believes there is and 1.9% was neutral.

These results on table 4.9 shows there is a serious weakness on ERCA's mechanism of reducing employees turnover. In addition the data reviled from open ended questionnaire indicates as there is weakness of mechanism .They states different mechanisms as option to reduce turnover.

4.5. Document Analysis

4.5.1. Employee Turnover Trend and Magnitude at ERCA

ERCA is a formed by Consolidation of Ethiopian Customs Authority, Federal domestic Revenues Authority and Ministry of Revenues in the year July 7/2000 E.C. by Proclamation No.587/2000.In addition according to the direction given by the Government Addis Ababa city Administration Revenues bureau is also consolidated with the Authority starting from 2003 Ethiopian Calendar. Due to this the responsibility and volume work of the Authority is increasing.

In order to accomplish tax administration activities efficiently among the major & key input is to retain the existing qualified and capable personnel and hire /attract/ new employees from the market is very important. Even if there are recruitment programmers every year in order to fulfill human resource demand of the Authority, turnover rate increases in the other side. Even if there are a lot of reasons for turnover, according to the data collected the major causes of turnover are; voluntary turnover, disciplinary decisions, Article 37, Article 41 and others (including death, retirement). According to data starting from 2005-2009 Budget year employees who leave the Authority based on the data that was obtained for this study through the available documents from the ERCA such as human resource director document analysis, annual report and quarterly report was carried out to determine the turnover magnitude and trend of the organization is shown in the table.

Table 4.10: The trend of employee turnover in Ethiopian Revenue and Customs Authority head office from 2005 to 2009 E.C

N	Fiscal years	Different causes of employees turnover							Total worker	Turnover rate
		Voluntary turnover	Article 37	Article 41	discipline case	Different causes	Total			
		No	No	No	No	No	Total	No		
1	2005 years	69	6	-	-	6	81	964	8.4	
2	2006 years	145	1	-	-	9	155	992	15.6	
3	2007 years	190	2	13	-	8	213	1039	20.5	
4	2008 years	137	3	-	-	58	198	1116	17.7	
5	2009 years	172	-	1	1	5	179	1134	15.8	
Total		713	12	14	1	86	826	Average 14.9	15.6	

Sources: Human resource directorate, 2017

Above table 4.10 shows general turnover rate in different budget years, in 2005 (8.4 %), in 2006 (15.6%), in 2007 (20.5%), in 2008 (17.7 %), and in 2009 (15.8%) by simple average calculation turnover rate is around 15.6 %. But when yearly general turnover rate is calculated those who leave by their own will is in 2005 (85.18%), in 2006 (93.55%), in 2007 (89.2%), in 2008 (69.19), and in 2009 is 95% consecutively. Majority of employees who leave by their own will have a major share. This implies that the data shows turnover rate is increasing from year to year.

Table 4.11: The rate of educational level employee turnover from 2005-2009

N	Fiscal years	Employees number educational level											Total	
		Second Degree			First Degree			Diploma			10th/12th and below			
		M	F	T	M	F	T	M	F	T	M	F		T
1	2005 years	1	2	3	38	4	42	4	15	19	11	6	17	81
2	2006 years	4	1	5	66	37	103	5	22	27	16	4	20	155
3	2007 years	12	-	12	91	54	145	11	24	35	15	6	21	213
4	2008 years	-	-		71	50	121	9	19	28	11	38	49	198
5	2009 years	1	-	1	74	23	97	16	16	32	24	25	49	179
Total		18	3	21	349	168	517	45	96	141	77	79	156	826

Sources: Human resource directorate, 2017

Table 4.11 shows that within five previous years those who left the Authority when seen by their education & qualification are 2nd degree holders are 21(2.67%), 1st degree 517 (62.59%), Diploma 141(17.07%), and 156 (18.89%) 12 grade and below. This shows that the 1st degree holding employees are higher rate of turnover. The reason why 1st degree holders are more number is that they have more demand in the market and they are hired from the universities and are many in number when compared with other employees.

In conclusion professionals those who have 1st degrees has high turnover rate and this has negative effect on the Authority's performance and in addition causes additional hiring & development costs.

Table 4.12: Employee turnover trend within the service year from 2005-2009

N	Fiscal years	Employee number within the service year												Total
		Above 20 years			From 10 to 20 years			From 5 to 10 years			Below 5 years			
		M	F	T	M	F	T	M	F	T	M	F	T	
1	2005 years	10	1	11	2	2	4	6	4	10	36	20	56	81
2	2006 years	6	4	10	3	1	4	21	5	26	64	51	115	155
3	2007 years	14	2	16	12	1	13	24	23	47	79	58	127	213
4	2008 years	4	2	6	19	10	18	13	31	71	52	51	102	198
5	2009 years	9	-	9	4	2	6	30	12	42	72	50	122	179
Total		43	9	52	40	16	45	94	75	196	303	230	533	826

Sources: Human resource directorate, 2017

In general from 2005-2009 Budget years among employees who left the Authority 80 % of them have less than 5 years experience, and 20% of them have above 5 years experience. This shows the Authority has a problem in replacing & in the other side the market gives different chance to young professionals and due to this newly hired employee leaves their job within a short time.

Table 4.13: Employee turnover trend within the job level from 2005 to 2009

N	Fiscal years	Employees numbers within job level												Total
		from 12-13 level			from 9-11 level			from 6-8 level			Level 5 and below			
		M	F	T	M	F	T	M	F	T	W	F	T	
1	2005 years	1		1	11	2	13	29	3	32	13	22	35	81
2	2006 years	2	1	3	12	4	16	57	34	91	20	25	45	155
3	2007 years	12	1	13	21	7	28	75	47	122	21	29	50	213
4	2008 years	2		2	11	9	20	58	41	99	20	57	77	198
5	Years 2009	3		3	10	3	13	70	21	91	32	40	72	179
	Total	20	2	22	65	25	90	289	146	435	106	173	279	826

Sources: Human resource directorate, 2017

Table 4.13 shows that job level from 2005-2009 budget years within all those who left their job when categorized according to their levels were as follows; From level 9-13 (13.59 %), from level 6-8 (52.66%) and below level 5 (35.96%). From this we can conclude that high level turnover is from level 6-8 and this level of the job is operational and very important part of work area. Because of this turnover is a critical issue and high level turnover is seen in level 5 and below that category where there is little number of employees. Low turnover is seen in level 9 and above that when turnover rate is compared between the two levels i.e. level 9 & 6-8 even if it is low it needs attention because the existing employees in these categories are few in number.

4.6. Exit Interview

The cause of turnover as the researcher has tried to collect from the HR department report as they collect from exit interview sheet shows that employees are leaving ERCA due to the following reasons. Those reasons are giving fulltime attention to their private business, for better job opportunity, disagreement with place of assignment, doing business abroad, to establish personal business, to go to abroad, dissatisfaction on management decisions, family problem, dissatisfaction with promotion and to continue further education (Exit interview report of ERCA, 2017).

However, from the reason mentioned above majority of the employees are leave the authority for better opportunity. This implied that most of those staffs are join in other existing or new private organizations. If the staff leaves in this amount, it has an impact on the performance of the authority and the current employees may attract by new private organizations salary and benefit packages.

4.7. Interview results with HR Director of the Authority

The Director pointed out that turnover is a natural occurrence and that turnover can also be positive as the authority can separate itself from poor performer and make way for capable employees continue in the authority. However, the management of the authority is happy if qualified and trained employees not living the authority. To minimize the frequencies of the turnover unreserved efforts has been done from the directorate and other line manager as per their levels.

For the interview question about the reasons employees leaving the authority, the director replay as employees are left the authority due to various reasons but majority of them are left the authority due to salary and benefits since new NGOs offer higher salary and benefits which is beyond the scale of ERCA. If ERCA provides the offer to employees and tries to retain them it might bring precedence with other competent employees in the authority. He also mentioned that turnover is a nonstop phenomenon in a dynamic environment; hence, the authority tries to set a system which the current or the new comers of employee should follow. According to him, employees are not stay lifelong. However, as a management of the ERCA cultivates and upgraded a substitute through different training and developments of another employee who is equivalent or better capacity internally. He emphasis that unless the needs arise and some vacant positions demands higher qualification, the authority is not look for competent employees externally. According to him, currently the authority has enough staffs which are qualified and experienced that can substitute their next positions. In addition, as a retention mechanism the authority review the salary scale and released very soon.

According to the HR Director, exit interviews have been conducted to gather information on why employees leave the ERCA. The HR department is aware of the magnitude of turnover that is the increasing number of employee turnover especially for the last two quarters which

more experienced and qualified staffs are quit the authority. This information is needed in order to gain an understanding of how to address the problems that lead to employee turnover.

On the question regarding career pathing, the Director stated that ERCA lacks career path which is inconsistent with the existence of the policy on career pathing. According to him, professional employees leave as a result of the policy not being implemented. Employees reach a point of frustration after they have set measurable goals and have received the necessary training or intervention, and are unable to progress as inadequate attention is given to advancing employees.

He also pointed out that, at this time the authority resolve the career advancement problems by not recruited and selected from outside instead the authority focuses on the internal employees since ERCA has spent time and money on training and supporting for those staffs. According to the responses of the Director, undoubtedly indicated that the authority recognizes human resource training and development as one of its most important organizational activities to bring a desirable change in employees' behavior and attain organizational effectiveness and efficiency. Besides, the authority attaches great importance to effective human resource planning in order to ensure sustainable and efficient staffing authority -wide and achieve its business objectives and corporate plans. For the proper execution of continuous training and development the authority has policies and procedure manual. Hence, training specific to the need of the employee are conducted without fail and the authority implements the training and development based on assessment as it is indicted on Section 5.4 of the authority human resource planning and development policy and procedure manual . In this manual authority support scheme is mentioned linked to career advancement. The authority has supports their employees to have higher education. Based on the authority support Employees obtain their diploma and degrees through the education program. For the diploma holder the authority arrange exam to select from those employees when there is vacant positions whereas for degree holders no exam for screening rather the authority arranges on job training from 6 to 9 months and assign or promote those staffs as per their qualifications.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The purpose of data interpretation and analysis was to assess the cause of employees' turnover in the case of ERCA head office. As the analysis was made on the data gathered for the study, the significant findings have therefore, been brought to the fore as such the dominant factors are summarized as in the foregoing section. The major findings of the study are the following:

- Most of ex-employees respondents were left the organization due to low salary, that is, the salary they received in connection to their experiences, responsibilities and qualifications in the ERCA (91%) and compared their salary with others employees' salary doing similar works at other private organizations (84%). Besides, majority of the ex-employees reason left the authority were the assistance given by the organization in terms of school fee, leave for exams, subscriptions (82%) and assistance for loans such as housing, vehicle, personal and staff loans (78%) were inadequate. In line with this, not getting continuous training and development program were the reason to some of the ex- employees' respondents (52%) to leave the ERCA. On the other hand, quite a lot of ex-employee respondents (55%) were not left the authority due to the number of vacations, sick leave and insurance policy (safety & health) were insufficient.
- Most of the ex-employees respondents left the authority due to a decline in quality of supervision of top management and supervisors (88%), their supervisors treat them unfairly and disrespectfully (77%) and the five management members of ERCA did not shown a genuine interest in fixing the issues/problems in their role (75%). Besides, their supervisors were not available to them when they had questions or need help (68%).
- Nearly all of the ex-employees respondents' reason leaving the authority was due to the job they were assigned since they felt insecure in their job (97%) and the job had not good promotion (93%). Besides, most of them were left the authority given that their qualification and experience was not well thought-out for promotion and their opportunity

in a similar way to other employees (81%) and the authority did not confer enough recognition for well done work, not appreciated at toil (72%).

- Most of the ex- employees' respondent left the authority office because of the ERCA was unfair in general and treat them unfairly (88%) and not satisfied with the overall work environment of ERCA (77%). In addition, unreasonable and unsound workload was the reason to majority of ex-employees left the authority office (61%).
- Most of the ex-employees did not leave the authority due to baby care (97%), discharge due to continuous illness (97%); returned to higher learning (93%) and self-employed (65%) rather they left the organization due to better conditions being offered by competitors (84%).
- The five management members of the ERCA head office believe that the existence of professional employee turnover but the authority relates the turnover with salaries and packages. The salary and package of the authority is also on the way to be adjusted considering of the turnover of employees to retain the existing employees of the ERCA.
- The ERCA has no strategies and programs that have been designed to minimize professional employees' turnover based on the questionnaire that states over 92% responses are disagreed about basic strategies to retain qualified employees.

5.2 Conclusions

Through this study the researcher has made an attempt to identify major sources/causes of professional employees' turnover at ERCA head office. A combination of quantitative and qualitative data was used to conduct this study which employed data collection techniques like questionnaires and interview check lists. Both quantitative and qualitative data collected were analyzed by employing analysis techniques of descriptive statistics and qualitative analysis method respectively. Consequently, the findings from the survey and the interviews have been presented. At this point, the researcher comes to a conclusion based on the interpreted results and discussions of findings

Through deep analysis, the research has drawn the following conclusion:

The trends of employee's turnover rate of ERCA conclude that increasing from year to year and at the same time highly trained, professionals and experienced employees are quitting their jobs.

Lack of job orientation, lack of benefits and salary package, lack of job satisfaction, absence of conducive work environment and work load, poor relationship of management and employee are major cause of employee's turnover. The mean scores of the causes are much higher than midpoint and they are risky major turnover cause for employees of ERCA main office.

The employees of ERCA are not willing to stay with their organization because the salary & the benefit provided to them are not adequate. Employees' perception for alternative employment opportunity is very high. Employees are not satisfied with the work environment and their current job. Therefore, employees search/to find other opportunities.

The ERCA's mechanism of reducing employee's turnover results show there is a serious weakness. The top management does not create means to minimize turnover & no concern to the employee. The management lacks to respond to employee needs and expectation.

5.3 Recommendations

According to the finding and conclusion made the following are recommendations are offered by the researcher so as to strength and help the authority to minimize employee turnover in order to increase employee job satisfaction and stay.

- ⇒ Top management should be to identify deeply the cause of employee turnover then to design different mechanisms to stable its workforce. The development aspects of human resource have to see other organization experiences from local and abroad to develop promotion schemes, reward polices and training and development benefits that have concise with organizational & individual employees goal. ERCA have to develop the performance based evaluation mechanisms in which employee commitment and engagement will be enforced.

- ⇒ ERCA to overcome the problems of its employee turnover should afford sustainable induction programs and continuous job training schemes for its employees. The organization has to create attractive employee benefit and salary scale to retain its employees.
- ⇒ Top management should be creating conducive at work environment and appropriate job design to minimize causes of work related turnovers and the employees are satisfied on their jobs. Additionally, creation opportunities for career advancement and growth may help employee to become more competent, trust and to enjoy their work even better.
- ⇒ The organization to create employees job satisfaction have to motivate the employees, recognize their performances based on designed systems of performance appraisals.
- ⇒ Top management should ensure that a reasonable salary is paid to employees in the organization and pay a market related salary to employee in order to prevent them from moving to other organization.
- ⇒ The management of ERCA concerning to design good relationship between management and its employee, advance the participation of employees in decision making and enhance team work and cooperation among the staff members. In addition to revising the administration procedures and some articles that may create frustration to employee and problems in performing their activities have to be revised with other organizations also.
- ⇒ The management as an organization to retain its employee and reduce turnover is recommended to develop training and developing its work force and creates organization careers that would be compensable its employees which the organ goals minimally to reduces the employee turnover and creates stable workforce for any organization to change employees perception of searching employment opportunities in other organization.

Generally, the researcher has recommended that to reduce the employee turnover, Top management look to the personal manual of the organization and revise administration policies including salary administration, to design benefits packages, to develop good relationship

between management and its employee, to create conducive at work environments, and try to meet employees' intention.

5.4 Direction for Further Research

To address the limitations of this research, I recommended that further research can be conducted to investigate the concept of employee turnover and retaining mechanism in order to handle the human asset. Since this research is only limited to Ethiopian Revenue and Customs Authority head office any interested body can use it as benchmark for the study of in branch and other similar public organization. Future research should also be conducted using large sample data to point out the exact cause of employee turnover in ERCA and other similar organization

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Appendixes

Appendix-B: Questionnaires

St. MARY'S UNIVERSITY
School of Graduate Studies
General MBA Programs

Part I. Questionnaire for Current Employees

Dear respondents my name is **Thomas Minalu**. I am conducting a research. The purpose of this questionnaire is exclusively for academic purpose as a requirement for General MBA. It's administered to assess your views about your working conditions and experience related with your profession, relationship with supervisors and fellow workers, remuneration packages, and in general your observation about your authority office . The collected data will be analyzed in terms of employee's turnover and its causes in the case of ERCA. 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.

N.B

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

A- Background of Respondents

1. Your age group –A) Below 25 B) 25-30 C) 31-35 D) 36-40 E) Above 41

2. Sex – A) Male B) Female

3. Marital status- A) Married B) Single C) Divorced

4. Qualification- A)10+2 B)DiplomaC)BSC/BA D)MSC/MA E)PhD

5. Year of service in ERCA

A) Less than 1 year C) 2 to 5 year

B) 1 to 2 years D) 5 to 10 years E) more than 10 years

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

A	Impact of Benefit and Salary packages	1	2	3	4	5
1	I left ERCA because I felt that I was not well in comparison to my experience, responsibilities and qualification					
2	I left ERCA due to the number of vacation, Sick leave and Insurance					

	policy (safety, health) set by ERCA					
3	I left ERCA because I was not happy with assistance given by Authority in terms of school fee, leave for exams and subscriptions					
4	I left ERCA because I was not happy with company's assistance for loans - housing, vehicle, personal and staff loans					
5	I left the authority because I was not happy with the value and number of salary increments I received					
6	I left ERCA because the amount of pay I received for my job was not equal to others doing similar works in other companies.					
7	I left this because the performance bonus structure was not fairly rewards my effort					
8	I left it because the Authority did not arrange continuous training and development programs to develop my skill					
B	Influence of Employee management Relationship	1	2	3	4	5
1	I left ERCA because the management of the Authority did not shows a genuine interest in fixing the issues/problems in my role					
2	I left it because they felt that the decline in the quality of supervision of top management and supervisors					
3	I left the authority because my supervisor treats me unfairly and disrespectfully					
4	I left it because my supervisor was not available to me when I had questions or need help					
	C. Job satisfaction and other related factor	1	2	3	4	5
1	I left ERCA because my job had not good promotion					
2	I left it because I had not feel secured in my job					
3	I left ERCA because the authority did not give enough recognition for well done work and I was not appreciated at work					
4	I left it because my qualification and experience were not considered for promotion and the opportunity were not been equal to other employees					
	D. Working environment , work load and management decision fairness	1	2	3	4	5
1	I left ERCA because I was not satisfied with the overall work environment of it.					
2	I left it because the amount of workload was not reasonable and sound					
3	I left it because the authority was unfair in general and treat employees unfairly					
	E. Others reason that force to leave the Authority	1	2	3	4	5
1	I left it because I returned to higher learning					
2	I left ERCA because of baby care					
3	I left it because of discharge due to continuous illness					
4	I left the authority because desire to be self-employed					
5	I left ERCA because better conditions being offered by competitors					

➤ If you have any additional comments, I would appreciate very much.

Thank You!!!

Appendix-B: Interview

Part II. Interview Question to HR of the Authority

1. Is the management of the ERCA aware about the turnover of professional employee?
2. What is the current trend of the employee turnover?
3. Do you feel that the turnover of organization is a serious Problem in ERCA?
4. What are the causes of employee turnover?
5. Do you feel that employees of ERCA earn adequate financial compensation when compared to the market?
6. Does the authority make exit interview, when employees resign?
7. What are the main reasons the authority detect the employee leaving the authority
8. Does the Authority use the information obtained from exit interview
9. What are the mechanisms the authority used to retain its experienced and qualified employee?
10. How ERCA does recognize employee contribution to the success of the authority?

Thank you!!!

Appendix-C

በገቢዎችና ጉምሩክ ባለስልጣን

አባሪ 1. የዋናው መስሪያ ቤት ጠቅላላ የሰራተኞች የሰንብት ምክንያት መረጃ ከ2005ዓ.ም እስከ 2009

ተ. ቁ	በጀት አመት	የሰንብት ምክንያት																			
		በራሳቸው ፈቃድ የለቀቁ			በአንቀፅ 37			በአንቀፅ 41			በዲስፕሊን			በተለያዩ ምክንያት			ድምር			የሰራተኛ ብዛት	የፍልሰት መጠን
		ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	በቁጥር	በ%
1	2005 ዓ.ም	42	27	69	6	-	6	-	-	-	-	-	6	-	6	54	27	81	964	8.4	
2	2006 ዓ.ም	85	60	145	1	-	1	-	-	-	-	-	5	4	9	91	64	155	992	15.6	
3	2007 ዓ.ም	109	81	190	2	-	2	11	2	13	-	-	7	1	8	129	84	213	1039	20.5	
4	2008 ዓ.ም	66	71	137	3	-	3	-	-	-	-	-	20	38	58	89	109	198	1116	17.7	
5	2009 ዓ.ም	109	63	172	-	-	-	1	-	1	1	-	1	4	1	5	115	64	179	1134	15.8
ድምር		411	302	713	12	-	12	12	2	14	1	-	1	42	44	86	478	348	826	አማካይ 15.6	

ምንጭ:- የሰው ብት ሥራ አመራርና ልማት ዳይሬክቶሬት (2009 ዓ.ም)

በገቢዎችና ጉምሩክ ባለስልጣን

አባሪ 2. በዋናው መስሪያ ቤት በልዩልዩ ምክንያት ከስራ የተሰናበቱ ሠራተኞች በትምህርት ደረጃ ከ2005ዓ.ም እስከ 2009

ተቁ	በጀት አመት	የሰራተኛ ቁጥር በትምህርት ደረጃ												ድምር
		ሁለተኛ ድግሪ			የመጀመሪያ ድግሪ			ድፕሎማ			10ኛ/12ኛ እና በታች			
		ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	
1	2005 ዓ.ም	1	2	3	38	4	42	4	15	19	11	6	17	81
2	2006 ዓ.ም	4	1	5	66	37	103	5	22	27	16	4	20	155
3	2007 ዓ.ም	12	-	12	91	54	145	11	24	35	15	6	21	213
4	2009 ዓ.ም	-	-	-	71	50	121	9	19	28	11	38	49	198
5	2009	1	-	1	74	23	97	16	16	32	24	25	49	179
ድምር		18	3	21	349	168	517	45	96	141	77	79	156	826

ምንጭ:- የሰጠ ሀብት ስራ አመራርና ልማት ዳይሬክቶሬት 2008ዓ.ም

በገቢዎችና ጉምሩክ ባለስልጣን

አባሪ 3. በዋናው መስሪያ ቤት በልዩልዩ ምክንያት ከስራ የተሰናበቱ ሠራተኞች በአገልግሎት ዘመን ከ2005 ዓ.ም እስከ 2009

ተቁ	በጀት አመት	የሠራተኛ ብዛት በአገልግሎት ዘመን												ድምር
		ከ20 ዓመት በላይ			ከ10-20 ዓመት			ከ5-10 ዓመት			ከ5 ዓመት በታች			
		ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	
1	2005ዓ.ም	10	1	11	2	2	4	6	4	10	36	20	56	81
2	2006ዓ.ም	6	4	10	3	1	4	21	5	26	64	51	115	155
3	2007ዓ.ም	14	2	16	12	1	13	24	23	47	79	58	127	213
4	2008ዓ.ም	4	2	6	19	10	18	13	31	71	52	51	102	198
5	2009 ዓ.ም	9	-	9	4	2	6	30	12	42	72	50	122	179
ድምር		43	9	52	40	16	45	94	75	196	303	230	533	826

ምንጭ:- የሰጠ ሀብት ስራ አመራርና ልማት ዳይሬክቶሬት 2009ዓ.

በገቢዎችና ጉምሩክ ባለስልጣን

አባሪ 4. በዋናው መስሪያ ቤት በልዩልዩ ምክንያት ከስራ የተሰናበቱ ሠራተኞች በስራ ደረጃ ከ2005 ዓ.ም እስከ 2009ዓ.ም

ተቁ	በጀት ዓመት	የሠራተኛ ብዛት በደረጃ ክፍታ												ድምር
		ከደረጃ 12-13			ከደረጃ 9-11			ከደረጃ 6-8			ከደረጃ 5 እና በታች			
		ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	ወ	ሴ	ድ	
1	2005ዓ.ም	1	-	1	11	2	13	29	3	32	13	22	35	81
2	2006ዓ.ም	2	1	3	12	4	16	57	34	91	20	25	45	155
3	2007ዓ.ም	12	1	13	21	7	28	75	47	122	21	29	50	213
4	2008 ዓ.ም	2	-	2	11	9	20	58	41	99	20	57	77	198
5	2009 ዓ.ም	3	-	3	10	3	13	70	21	91	32	40	72	179
ድምር		20	2	22	65	25	90	289	146	435	106	173	279	826

ምንጭ:- የሰው ሀብት ስራ አመራርና ልማት ዳይሬክቶሬት 2009ዓ.ም

የገቢዎችና ጉምሩክ ባለስልጣን የ2009 ዓ.ም

አባሪ 5. የዋናው መ/ቤት ጠቅላላ የሰው ሀይል መረጃ

ተ.ቁ	የስራ መጠሪያ	ጠቅላላ የሰራተኛ ብዛት	ጠቅላላ የሴቶች ብዛት	ጠቅላላ የወንዶች ብዛት
1	ዋና ዳይሬክተር ጽ/ቤት	72	479	655
2	ህግ ማስከበር ሥራዎች ዘርፍ	274		
3	ሞደርናዜሽንና ኮርፖሬት ሥራዎች ዘርፍ	542		
4	ጉምሩክ ክትትል ሥራዎች ዘርፍ	89		
5	የሀገር ውስጥ ታክስ ሥራዎች ዘርፍ	157		
ድምር		1134		

ምንጭ:- የሰው ሀብት ስራ አመራርና ልማት ዳይሬክቶሬት 2009ዓ.

DECLARATION

I the undersigned, declare that this thesis is my original work, prepared under the guidance of my advisor assistance professor Goitom Abraham. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning my degree.

Researcher's name

Signature -----

Thomas Minalu

January, 2018

St. Mary's University, Addis Ababa

ENDORSEMENT

This thesis has been submitted to St. Mary's University School of Graduate Studies for examination with my approval as a university advisor.

Advisor _____

Signature _____

St. Mary's University, Addis Ababa

January, 2018