



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

**FACTORS AFFECTING EMPLOYEE TURNOVER:
*THE CASE OF DEFENSE CONSTRUCTION ENTERPRISE***

**BY
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SGS/0001/2009B**

**JANUARY, 2019
ADDIS ABABA, ETHIOPIA**

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Dedication

I dedicate this thesis as an excellent achievement of my educational life to all members of my family, especially to my wife who is always caring.

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List of Abbreviations and Acronyms

DCE	Defense Construction Enterprise
SPSS	Statistical Package for Social Science
IBM	International Business Management
HR	Human Resource
HRM	Human Resource Management

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Abstract

The purpose of this study was to examine factors affecting employee turnover in the case of Defense Construction Enterprise (DCE). Basic questions i.e. employee turnover trend, factors mainly influence employee turnover and efforts are made by the enterprise to minimize the magnitude of employee turnover were asked. The study employed quantitative and qualitative research design methods. Proportionate stratified random sampling technique was used to select the sample size from the population. Questionnaire and interview were used for data collection. The respondents were drawn from the employees of the organization. Ninety eight (98) questionnaires were issued to the employees out of whom ninety two (92) were properly completed and returned; documents that were received from the HR department were helpful in determining the turnover trend. The obtained data was summarized, organized, tabulated, coded, and analyzed using Statistical Package for Social Science (SPSS). Descriptive statistics such as percentage, mean value, tabulation were employed for data analysis. Based on the data analysis the following findings were recorded. The main finding indicated that dissatisfaction with pay structure, lack of conducive-work environment; unfair reward and promotion systems were some of the factors for employee turnover. The finding also indicated the following effects of turnover including loss of experienced and skilled employees, higher recruitment costs, and higher workload due to leavers. Similarly, it was concluded that lack of career advancement, job dissatisfaction, poor working conditions, and unfair training system were major factors for employee turnover. The researcher further employed a multiple linear regression model to analyze the relationship between dependent and independent variables. The regression result reveals working condition is positively and significantly influence employee turnover. On other hand, remuneration, reward and recognition, and career development were found positive but not significant factor influencing the employee turnover. The results of the study may suggest that the enterprise need to give more emphasis on enhancing working condition of the enterprise so as to reduce employee turnover.

Key Words: *Remuneration, Rewards and Recognition, Career Development, Working Condition and Employee Turnover.*

CHAPTER ONE

INTRODUCTION

The purpose of this chapter is to outline the thesis, its background, issues and its organization. This chapter helps readers understand the main ideas and thoughts of the researcher relating to employee turnover at Defense Construction Enterprise. This chapter, therefore, addresses the background of the study, statement of the problem, objectives of the study, hypotheses, scope of the study, definition of key terms, significance of the study as well as the organization of the study.

1.1. Background of the Study

The attraction and retention of high-quality employees is more important today than ever before. A numbers of trends (globalization, increase in knowledge work, accelerating rate of technological advancement) make it vital that firms acquire and retain human capital. In human resources context, turnover can be viewed as the rate at which an employer gains and misplaces employees or how long employees tend to stay in a particular organization. Turnover is measured for individual companies and for their industry as whole (Turner, 2010).

Research suggests that to gain an accurate perspective of internal causes of turnover, it is useful to look at both quantitative and qualitative information (IDS, 2004). To identify underlying reasons for turnover, qualitative information on the reasons why employees have left is necessary. The UK Chartered Institute of Personnel and Development (CIPD, 2004) suggest that it is important employers have an understanding of their rates of labour turnover and how they affect the organization's effectiveness. Depending on the size of the business, understanding the levels of turnover across occupations, locations and particular groups of employees (such as identified high performers) can help inform a comprehensive retention strategy, (Pearce & Mawsons, 2009). By understanding the nature of the turnover problem an organization can decide whether to adopt targeted retention initiatives, for example at particular sites or groups of employees, or to manage overall levels so that there is sufficient labour (Hogarth and Dean, 2008). Many factors play a role in the employee turnover rate of any company, and these can stem from both the employer and the

employees. Wages, company benefits, employee attendance, and job performance are all factors that play a significant role in employee turnover.

Companies take a deep interest in their employee turnover rate because it is a costly part of doing business, (Beam, 2009).

Potential negative consequences of employee turnover include operational disruption, demoralization, negative public relations, personnel costs, strategic opportunity costs, and decreased social integration, (Phillips & Connell, 2003). 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 while searching for better paying employment. Also, employees tend to leave a company because of unsatisfactory performance appraisals. Low pay is good reason as to why an employee may be lacking in performance, (Rampur, 2009).

Unequal or substandard wage structures fall under this category as well. 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 ship for higher pay, if other factors are relatively equal, (Scarpello and Carraher, 2008). According to Laser, (2008) most people feel that the major cause of employee turnover is the issue of salary. While there is some support for this view, its importance has been greatly exaggerated; it is widely held because individuals frequently cite salary as their excuse for leaving, making the organization and its pay scale a convenient target for employee frustrations. This is largely due to the fact that few workers want to give more personal reasons for leaving and thereby risk the possibility of not receiving a good reference at a later date, (Scarpello and Carraher, 2008). Another reason that employees leave is because of the lack of benefits available to them through the company in which they work. High employee turnover could also be due to no potential opportunity for advancements or promotions. Employees prefer other companies which may provide them with higher posts and increased compensation packages, (Vilma and Egle, 2007). Lack of opportunity for advancement or growth can cause a high turnover rate for any organization. If the job is basically a dead-end proposition, this should be explained before hiring so as not to mislead the employee.

According to Zografos, (2003), Chief Executive Officer of the Donut Company in South Africa, money is not the only motivator. As long as employees are being paid comparably to what other franchisees are paying then other factors comes into play such as work environment, respect and responsibility play a huge role in keeping an employee. In fact, if your employee turnover is low and your goals are met, you can focus on why employees stay with your company and continue to strengthen and improve them. Either way, the turnover statistic is a valuable piece of information. The franchisor or franchisee organizations that achieve the lowest turnover statistic and maintain those levels are usually the ones that make it a priority (Zografos, 2006).

According to Pires (2006), there are nine steps an organization can take to reduce employee turnover. Pires (2006), says, hiring employees with the right "fit" ensures compatibility which is critical to retention. Behavioral based interviewing and competency screening goes a long way in determining personality, work style and potential match and success within your company. Consider hiring older candidates who are seeking stability. Older applicants may not be looking for the development opportunities that their younger counterparts may be in need of. Make sure you describe the job as accurately as possible so candidates will know what is expected. Misconceptions regarding the job responsibilities and work environment are one of the major causes of employee turnover.

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. Challenge your employees. Employees want to be challenged in the job they are performing to feel like they are growing both personally and professionally when challenged with attainable assignments. Provide excellent supervision. Incompetent supervisors are often one of the first issues linked to employee turnover, (Mangel and Useem, 2008).

Employees are more willing to stay with a company if they feel a sense of pride and success in their work. When employees meet or exceed your expectations, show your appreciation for a job well done. Provide an employee-friendly work environment. Be accommodating to your employees' outside demands. Providing employee's with flexible schedules makes for a productive, satisfied workforce. The stress of balancing work and

life diminishes when employees can work around their outside obligations. Provide career advancement opportunities. Whenever possible, provide opportunities within the company for cross-training and career progression. Employees are seeking to develop themselves, and offering that opportunity to them may provide the satisfaction and stability they are seeking (Pires, 2009).

1.2. Background of Defense Construction Enterprise

Defense Construction Enterprise was established in the ‘Derg’ Regime but, it established again in a new construction organization in 2010 by Ethiopian ministry of council regulation NO 185/2010 as public enterprise and national defense as supervising authority of the enterprise.

The purpose for which the enterprise is established is to engage in any construction activity mainly to satisfy the national defense construction and infrastructural development needs. Besides, to engage in the construction of roads, dams, irrigation infrastructure, Buildings and other construction related works in the country.

Henceforth its establishment, the enterprise had completed 20 roads, dam, irrigation, building and real estate projects which worth around birr 4 billion in the last seven years. Currently, there are 33 construction projects under construction which worth around 8.1 billion. (Defense Construction Enterprise Annual Report, 2018).

1.3. Statement of the Research Problem

With globalization which is heightening competition, organizations must continue to develop tangible products and provide services which are based on strategies created by employees. These employees are extremely crucial to the organization since their value to the organization is essentially intangible and not easily replicated (Meaghan et al, 2002). Therefore, organizations must recognize that employees are major contributors to the efficient achievement of its success (Abbasi et al, 2000). Organizations should control employee turnover especially, the sources- what determines employee turnover, effects and strategies that managers can put in place to minimize turnover for the benefit of its success. Turnover intention has been firmly established as the best and most accurate predictor of

actual turnover (Chan et al., 2009). Turnover intent can be defined as a conscious and deliberate willingness to leave the organization (Ma and Trigo, 2008). Employee turnover factors or antecedents can be categorized as job related and organizational factors. Job information, unclear expectations, ambiguity of performance evaluation methods, extensive job pressures, and lack of consensus on job functions are among the job related factors. On the other hand, organizational instability, poor hiring practices, poor managerial style, lack of carrier development, lack of recognition, lack of competitive compensation system are among the organizational factors (Hedwinga, 2012).

Employee turnover is expensive from the view of the organization. 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, productivity drops due to the learning curve involved in understanding the job and the organization. In addition to this, the loss of intellectual capital adds to this cost, not only do organizations lose the human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets. When we come to DCE, even though it seems enhancing its salary package and other benefits to the employees, the turnover rate is still increasing from time to time. The employees are always looking for a better offer and great opportunity in their career, and therefore it is difficult to reduce the turnover rate among the employees.

Table 1: Employee's Turnover in Defense Construction Enterprise from the year 2014-2018

Year	No. of employees leaving the Enterprise	No. of employees hired	Total no of employees	Employees turnover rate
2014	32	11	288	11.1%
2015	41	21	309	13.3%
2016	55	31	340	16.2%
2017	62	39	379	16.3%
2018	69	43	422	16.4%
Total	259	145	1738	

Source: Defense Construction Enterprise Annual Reports.

In order to look into the above matter, the researcher tried to make preliminary discussion with 3 management members and 10 employees. The preliminary discussion conducted by the researcher with the management members indicated that they have employee turnover

in the organization. In search of new environment, challenging job, better compensation package and absence of carrier development are some of the major reasons of their intention to leave the company. On top of this, as per the preliminary interview with the employees, majority of them have intention to leave the company by stating in search of better compensation package, new work environment and challenge, better carrier development, ambiguity of performance evaluation methods as some of their major reasons. From the above preliminary discussion, it is possible to infer that there are both job and organizational related factors that lead to employees' intent to leave the company. Therefore, this research paper aimed at factors affecting employee turnover in the case of Defense Construction Enterprise and to provide recommendations to help the enterprise to reduce employee turnover and in the long run avoid problems arising from employees' turnover.

1.4. Research Questions

Based on the statement of the problem, this study tried to answer the following basic research questions:

- ✚ What is the trend of employee turnover at Defense Construction Enterprise?
- ✚ What are the factors that mainly influence employee turnover in the Enterprise?

1.5. Objectives of the Study

1.5.1. General Objective

- ✚ The general objective of the study is to identify the main factors that affect employee's turnover at Defense Construction Enterprise.

1.5.2. Specific Objectives

The study has the following specific objectives:

- ✚ To determine the employee turnover trend at Defense Construction Enterprise.
- ✚ To identify the factors that affect employee turnover at Defense Construction Enterprise.

1.6. Hypotheses

The hypotheses of the study are the following:

- ✚ H1: The Remuneration variable will significantly explain the variations in factors affecting employee turnover.
- ✚ H2: The Reward and Recognition variable will significantly explain the variations in factors affecting employee turnover.
- ✚ H3: The Opportunities for Career Progression variable will significantly explain the variations in factors affecting employee turnover.
- ✚ H4: The Working Condition variable will significantly explain the variations in factors affecting employee turnover.

1.7. Scope of the Study

The study would have been more important had it been included most of the projects found in the enterprise but given difficulty of analyzing, organizing, and interpreting the data gathered by the researcher's capacity, and the time given for the study, it was confined in the Head Office of Defense Construction Enterprise, located in Addis Ababa. This study was used both primary and secondary data sources. This study also involved collecting information from 98 members of respondents on factors affecting employee's turnover at the enterprise. This research was limited to four factors such as remuneration, reward and recognition, Career opportunity, and working conditions that influences employee turnover though there are several circumstances and variables that affect employee turnovers in the given organization. The time frame of the study ran six months.

1.8. Definition of Key Terms

The researcher used the following operational definitions of basic terms for this specific research:

- ✚ **Turnover:** It is the movement of employees out of an organization (Stan K., 1991).

- ✚ **Working Environment:** an environment that is related to safe and motivating workplace and adequacy of the resource needed to achieve the stated objectives (Chan et al., 2000).
- ✚ **Career Planning:** According to Baruch (2000) a career is not just a job. A career is a lifelong endeavour comprising attitudes, feelings, and behaviours according to people's work goals. Career planning on the other hand is the ongoing, often interactive developmental process an individual or an organization engages in revamping personal or organizational goals; this is done through education for labour market opportunities (Baruch & Peiperl, 2000).
- ✚ **Career Development:** According to Puaah and Ananthram (2006), career development is the outcome of career plans as viewed from both the organization and employee's perspective. Career development is the lifelong process of fostering and cultivating individuals working skills through talents, skills, and knowledge, both for the employee, and for the organization's benefit.
- ✚ **Recognition:** It is one of the most powerful means of rewarding positive performance.
- ✚ **Remuneration:** Compensation received in exchange for the work or service performed in the form of monetary rewards.
- ✚ **Rewards:** are mechanisms through which organizations show appreciation towards employees for their commitment, performance, skills, knowledge or loyalty towards the organization Zhou *et al.*,(2009).

1.9. Significance of the Study

- ✚ The study will be of great importance to the top management in coming up with strategies to deal with what is perhaps the number one issue facing the human capital management field, being employee retention.
- ✚ The findings of the study will be of great importance to similar enterprises who are interested to conduct research in the area of employee turnover.

- ✚ Finally, the research will help as a source of reference and a stepping stone for those researchers, scholars and academicians who want to make further study on the area afterwards.

1.10. Organization of the Study

The research paper is organized in five chapters. The first chapter covers introduction part of the study that includes background of the study, statement of the problem, objective of the study, hypotheses, scope of the study, definition of key terms, significance of the study, organization of the study and chapter summary. On the other hand, chapter two includes literature review that would be gathered from both conceptual and empirical literature sources. Chapter three includes methodology, which is assumed as a soul of a research; chapter four covers data analysis and interpretation. Finally, summary of the findings, conclusions, limitations of the study and recommendations was presented in the last chapter.

1.11. Chapter Summary

The research title is “Factors Affecting Employee Turnover: a case of Defense Construction Enterprise”. In order to elaborate and make the research the researcher uses the following issues appropriately based on the research format. These are background of the study, statement of the problem, objectives of the study, hypotheses, scope of the study, definition of key terms, significance of the study and organization of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This section reviews the relevant literature to form a basis for the study. It evaluates both the theoretical literature and the empirical literature on the factors affecting employee turnover.

2.1 Theoretical Literature Review

2.1.1 Overview of Turnover

Employees' turnover is a much studied phenomenon. According to Meaghan et al., (2002), there is the need to find out causes of turnover, what determines employee turnover, effects and strategies that managers can put in place to minimize turnover. With globalization heightening competition, organizations should continue to develop tangible products and provide services which are based on strategies Tor et al., (2007). Employees are extremely crucial to the organization since their value is essentially intangible and not easily replicated Trevor (2002) and the negative impact of turnover leads to customer dissatisfaction.

However Firth et al., (2007) argued that, turnover is not only destructive to organizations but very costly because anytime employee quits the job; there is the need to replace by recruiting, selecting and training. The knowledge, skills and contacts that a departing employee takes out of the organization constitutes a huge loss Meaghan et al., (2002)

In the article "The Cost of Employee Turnover", Mathew O'Connell and Mei-Chuan Kung (2007) makes the point that organizations tend to underestimate the cost of turnover. Perhaps it is because there is not a line item in most profit and loss statements, nor is it typically adequately defined in the budget, and no one submits an invoice at the end of the month for turnover. Yet, collectively, turnover costs organizations billions of dollars a year.

The purpose of this research is therefore to identify factors affecting employee turnover in the construction businesses. Past research concluded that employee turnover has negative

impact on organizations. “A huge concern to most companies, employee turnover is a costly expense especially in lower paying job roles, for which the employee turnover rate is highest Beam, (2009). Potential negative consequences of employee turnover include operational disruption, demoralization, negative public relations, personnel costs, strategic opportunity costs, and decreased social integration.

On the other hand, many researchers found that organization gets benefit due to fresh blood joining the company. Some staff turnover is inevitable and beneficial, but too much is costly, especially in terms of recruitment and training resources. Walker points out that, staff turnover is not always a bad thing. He argues that some mild turnover can be beneficial because it allows staff to move up the ladder to more senior positions, giving them more opportunities. Moreover, it allows the business to bring in new blood, in other words, new people, new ideas, enthusiasm and motivation which is beneficial for a company to increase productivity (2006).

2.1.2 Definition of Employee Turnover

According to Mobley (1982), turnover refers to cessation of membership but it should be acknowledged that from a more institutional or organizational perspective, turnover may also include accession or entry. Similarly, McShane and Glinow (2000) defines turnover as the process in which employees leave the organization and have to be replaced.

Turnover is the rotation of workers around the labor market; between firms, jobs and occupations Abassi et al.,(2000) and the ratio of the number of organizational members who have left during the period divided by the average number of people in the organization. Beam (2009) on the other hand, Labor turnover refers to the movement of employees in and out of a business. However, the term is commonly used to refer only to “wastage” or the number of employees leaving Riley, (2012). It refers to the number of persons leaving and the ones retained within the organization. In most formal organizations, labor turnover is inevitable. Analysis of associates leaving the organization provides the data for staff supply forecasting, so as to calculate the number of workers lost who need to be replaced. More significantly however, the analysis of the number of

associates who left the organization and the reasons why provides a guide to job retention policy/decision Armstrong, (2004).

Then again, "Employee turnover is a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees. A huge concern to most companies, employee turnover is a costly expense especially in lower paying job roles, for which the employee turnover rate is highest. Many factors play a role in the employee turnover rate of any company, and these can stem from both the employer and the employees. Wages, company benefits, employee attendance, and job performance are all factors that play a significant role in employee turnover. Companies take a deep interest in their employee turnover rate because it is a costly part of doing business." Beam, (2009)

2.1.3 Causes of Employee Turnover

There are many potential causes for employee turnover. Mobley (1982) states that a high level of employee turnover may be related to factors such as low wages or unattractive working conditions; or to a high concentration of casual or seasonal workers. Conversely high turnover may be related to a high level of demand for skills where workers are induced to change employers in a wages. Lawler (1986) suggests poor job feedback, job dissatisfaction, unmet job expectations, performance problems, situational constraints, socialization difficulties, greater degrees of job stress, and a lack of career advancement opportunities among others as causes of employee turnover. Though many of such factors can be identified, the study has classified them into the following:

- 1. Salary Scale:** 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 while searching for better paying employment. Low pay is good reason as to why an employee may be lacking in performance. Rampur, (2009) in a like vein, if you pay less than other employers for similar work, employees is likely to jump ship for higher pay, if other factors are relatively equal.

- 2. Working Environment:** Some employees jump from company to company because they prefer a working environment that is suitable for them. "If working conditions are substandard or the workplace lacks important facilities, such as proper lighting, furniture, clean restrooms, and other health and safety provisions, employees won't be willing to put up with the inconvenience for long." If an employee finds an appropriate work environment which is suitable for them in a specific company, they may work in that same organization for several years Handelsman, (2009).
- 3. The Organizational Culture:** The reward system, the strength of leadership, the ability of the organizations to elicit a sense of commitment on the part of employees, and its development of a sense of shared goals, among other factors, will influence such indices of job satisfaction as turnover intentions and turnover rate.
- 4. Demographics:** In their study on causes of labor turnover, Mitra et al. (1992) demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers.
- 5. The Person:** there are factors specific to individual that can influence turnover rates. These include both personal and trait-based factors. Personal factors include things such as changes in family situation, a desire to learn a new skill or trade, or an unsolicited job offer. In addition to these personal factors, there are also trait-based or personality features that are associated with turnover as cited by Mobley (1977). These traits are some of the same characteristics that predict job performance and counterproductive behaviors such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production.
- 6. Job Satisfaction:** High job satisfaction level has enormous impact not only on the sense of loyalty, absenteeism, efficiency, productivity, termination of work, but also on mental and physical health Scott & Taylor, (1985). According to Robbins (1986), satisfaction is strongly and consistently negatively related to an employee's decision to stay or leave the organization.
- 7. Alternative Employment Opportunity:** Employees would generally like to work in prosperous and flourishing economies and as a result, employees usually move

out of poor and deprived economies to seek greener pastures in more developed ones. According to Price (2001), the larger alternative employment opportunities exist in the environment, the more chances of awareness among the employees, which lead them to evaluate cost and benefit analysis and have intentions to switch jobs.

2.1.4 Types of Employee Turnover

Mathis and Jackson (2004) classified turnover into two general types: involuntary and voluntary. Voluntary turnover means voluntary movement of an employee out of an organization. It reflects an employee's decision to terminate the employment relationship (that is, voluntary leavers leave on their own volition to further their career or to seek greener job satisfaction elsewhere) while the involuntary type of turnover reflects an employer's decision to terminate the employee's employment.

McShane and Glinow (2000) state that since employees leaving voluntarily are those not dismissed by the employer, they are probably the ones that an employer would like to retain most. Involuntary turnover may occur for reasons which are independent of the affected employee(s) – that is, involuntary leavers are literally forced out by the organizations by one means or another - such as the real or perceived need to cut costs, restructure or downsize. Furthermore, voluntary turnover is often categorized into two namely; functional and dysfunctional Mathis & Jackson, (2004). Functional turnover is where the employees' departure becomes beneficial to the organization, while the dysfunctional type is where the organization would like to retain the departing employee. Dysfunctional turnovers usually involve high performers who are difficult to replace in the organization.

Carsten and Spector (1987) say that “typically, only workers who have alternative employment opportunities consider leaving and it is the best employees who have the most opportunities. That is, the best employees moving on, with the worst staying on and engaging in other forms of withdrawal behavior”. Noe, Hollenbeck, Gerhardt and Wright (2006) paint a grimmer picture that, ‘in the worst scenario, the better employees go to work for the company's competitors and the dissatisfied employees may take sensitive information with them to the new jobs’.

Typically, involuntary turnover includes dismissals, layoffs, and forced retirement. Because labor market conditions largely affect involuntary turnover rates, they are difficult to directly manage. Price (1977) states that the scope that a voluntary or involuntary dichotomy offers for classifying the phenomenon enables directed and systematic research. Particularly where turnover is thought to be associated with a factor such as organizational commitment, or to be preceded by a psychological state such as intent to quit, drawing the distinction between voluntary and involuntary turnover is important, otherwise assessment of such a relationship in terms of all organization leavers will be flawed.

Alternatively, turnover can also, be classed as internal or external. Internal turnover involves employees leaving their current position in order to take a new position within the same organization. There are negative and positive aspects of internal turnover, such as, increased morale, from the change of task and supervisor, as well as project /relational disruption, and thus this form of turnover is important to monitor as it is external counterpart.

2.1.5 Costs of Employee Turnover

Research has identified the following five major cost categories that contribute to the total cost of replacing an employee: pre-departure, recruitment, selection, orientation and training, and lost productivity Hinkin and Tracey (2006).

Pre-Departure These are the costs that are incurred once an employee has given notice. One of the easiest pre-departure costs to track and that which provides important information regarding the causes of turnover is the amount of time that is spent preparing for and conducting exit interviews. This category also includes the time spent on other administrative activities, such as procedures associated with filing unemployment insurance (when applicable), change-of-status processing, and similar requirements. Finally, any costs associated with severance packages are part of pre-departure expenses.

Recruitment When management decides to replace a departing employee, the next step is to account for the costs of recruitment. The direct costs associated with promotional materials, advertising, and recruiting sources are typically expressed as an annual total.

Thus, it is necessary to know how much is spent on an individual basis (e.g., annual expenditures divided by the total number of applicants). In addition, it is necessary to account for the administrative processing requirements involved with writing position announcements, reviewing resumes, and similar activities. Recruiting costs vary considerably by position. Almost certainly it takes more effort and expense to create a pool of applicants for a general manager position than it does for a line worker.

Selection Since this process involves several steps, selection can be one of the most expensive components of the replacement process. Interviewing, background and reference checks, and travel expenses involve substantial hard and soft costs. Once again, a weak applicant pool can drive up selection costs.

Orientation and Training Many firms conduct extensive programs to orient new employees to the company, their department, and their job. Similar to the previous activities, the primary costs associated with orientation and training comprise the time of those who are involved.

Productivity Loss Productivity loss, the final cost category, has been shown to account for the largest percentage of the total costs, up to 70 percent in some cases Hinkin and Tracey (2006).

2.1.6 Benefits of Turnover

According to Glebbeek and Bax (2002), the following potential advantages of labor turnover could be listed:

Leave of relatively expensive employees: This applies especially in case a firm uses a compensation system based on seniority or if the premiums for social security are age related. If the rise of labor costs exceeds the increase of productivity of an employee, replacement of the latter becomes profitable

Leave of less productive employees: This refers to workers who lose productivity due to aging, physical and mental wear or because they cannot cope with rising work pressures.

Termination of bad matches: Even under the conditions of careful recruitment and selection procedures, some matches turn out to be better than others. This holds true especially when productivity and performance do not so much depend on technology as well as on social relations and contextual skills.

Innovation: Labor turnover creates possibilities for replacing employees and therefore enables firms to import new types of knowledge, ideas, experience and skills.

Advantage of market condition: The personnel demand of a firm is dependent on external conditions of which the market and the business cycle are important ones. Hence, some variation in the number of staff employed is inevitable.

Facilitating the internal Labor Market: Internal labor markets provide the opportunities for career development of employees and are therefore an important instrument for motivation. Turnover creates the vacancies required for the internal labor market to function properly.

The Price of Quality: Labor turnover is the price organizations have to pay for the employment of young highly skilled and well-educated professionals. Although these 'job hoppers' will leave the organization inevitably, during their stay they contribute significantly to the organization's success. Prevention of this kind of turnover would be the employment of more 'average' employees who are less attracted by the external labor market.

2.1.7 Employee Turnover Measurement

Turnover rate can be briefly described as how fast the employers recruit and lose employees Chikwe, (2009). It is used to measure the effectiveness of recruitment Mondy, (2010) and is sometimes considered as one of the indicators of organizational performance (Cho, Woods, Jang, & Erdem, 2006). Mondy (2010) clearly defined turnover rate as how many new recruitments were hired to replace resigned employees.

According to Nel et al (2003), the most commonly used measure for staff turnover is the staff turnover rate. It gives an indication of the percentage of employees that leave the organization over a period of time. The Labor Turnover Rate is calculated by the means of the following formula:

$$\frac{\text{Number of leavers during a period}}{\text{Average of number in employment during period}} \times 100$$

It should be noted that the monthly Labor Turnover Rate may fluctuate considerably and therefore the calculation of quarterly or yearly rates are recommended as being more reliable. For comparative purpose, rates should always be expressed on a per annum basis, irrespective of the period over which they are calculated. In other words, if a monthly Labor Turnover Rate is calculated, it should be multiplied by 12 (months), if a quarterly Labor Turnover Rate is calculated, it should be multiplied by four (terms).

2.1.8 Factors Affecting Employee Turnover

The following factors contribute to staff turnover rate if they are not addressed properly by the management of the organization:

+ Management of Transport

Arranging transport for employees by coordinating work hours with public transport, or investing in organizational transport for employee, should reduce staff turnover (Neves, 2009).

+ Provision of Free Health Care

Parish, Cadwallader and Bush (2008) state that it is also important to control stress and implement physical fitness programs. The workplace is the prime location from which to promote health care and disease prevention. Free health care for employee may be another method to improving staff retention strategy because employees are sometimes unable to pay for a doctor's visit, or have to wait several days for a doctor's appointment.

+ Establishment of a reward System

Parish, et al. (2008), believes that organizations should reward employee for long term service. These rewards may be in the form of posting names on bulletin boards, announcing the names of employees in notices, or giving monetary reward, but such a system can be very expensive.

+ Personal Interest and Background

According to Ivancevich and Matteson (2004), the employee's spouse is becoming an important determinant to the likelihood of them being retained in their positions since the contentment of these spouses in a rural setting is a huge factor that can make them stay in service.

✚ Reconciling Family and Work

The employer must try to reconcile employee's family needs with work needs. This may lead to the development of child care center at the organization or institution, or the use of flexi time schedules. The establishment of an onsite sick child cry could also enhance work attendance. According to Jones (2006), there is evidence that the introduction of flexible staffing schedules (combination of 8 hour, 12 hour and 4 hours schedules) will reduce staff turnover, because employees can more easily arrange time off for personal and family commitment.

✚ Lack of Employee Life Balance

Whenever possible, create several different flextime options and allow employees to choose the one that works the best for them George and Jones, (2006). Bhengu (2007) distinguishes two main dimensions of a retention strategy, namely, extrinsic and intrinsic factors. It is important to match work life benefits to the needs of employees and failure may lead to staff turnover in the organization.

2.1.9 Effects of Employee Turnover

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). Turnover has many hidden or invisible costs Philips (1990) and these are due to incoming employees, co-workers, 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. 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.

2.1.10 How to Reduce Employee Turnover?

The following are some of the effective methods of reducing staff turnover rate:

+ Training

Training employees reinforces their sense of value. Through training, employers help employees achieve goals and ensure they have a solid understanding of their job requirements (Van Tiem, Moseley and Dessinger, 2003).

+ Feedback to Employees

It is important for companies to give feedback and coaching to employees so that their efforts stay aligned with the goals of the company and meet expectations. During an employee's first few weeks on the job, an employer should provide intensive feedback. Employers should also provide formal and informal feedback to employees throughout the year (Nel, et al., 2004).

+ Instill a Positive Culture

A company should establish a series of values as the basis for culture such as honesty, excellence, attitude, respect, and teamwork. A company that creates the right culture will have an advantage when it comes to attracting and keeping good employees (Martin, 2003).

+ Encourage Referrals and Recruit from within the Organization

Having current employees offer referrals could help minimize confusion of job expectations. Current employees can realistically describe a position and the environment to the individual he/she is referring. Another way an employer can reduce the impact of staff turnover is to hire from within, since current employees have already discovered that they are a good fit in the organization (Del Val and Fuentes, 2003).

✚ Make Employees feel Valued

According to Carrel, et al. (2000), employees will go the extra mile if they feel responsible for the results of their work, have a sense of worth in their jobs, believe their jobs make good use of their skills and receive recognition for their contributions. Employees should be rewarded at a high level to motivate even higher performance.

✚ Foster Trust and Confidence in Senior Leaders

Develop strong relationships with employees from the start to build trust. Employees have to believe that upper management is competent and that the organization will be successful (Allen, et al., 2007). An employer has to be able to inspire this confidence and make decisions that reinforce it. An employer cannot say one thing and do another. In addition, employers need to engage and inspire employees by enacting policies that show they trust them, such as getting rid of authoritarian style of management (Brief, 2008).

✚ Make Career Development

Career development is defined as the organized, formalized, and planned efforts of individuals within an organization so as to achieve a balance between an individual's career needs and the organization's workforce requirements (Puah and Ananthram, 2006). Using organizational support theory, Dwomoh and Korankye (2012) argue that when an organization commits its resources to help develop their employees' career goals, employees will in turn feel obliged to commit their time to the organization hence reducing organization employee turnover.

✚ Make Career Growth Opportunities

According to Mayrhofer et al., (2007), career growth opportunity is the availability of chances that an employee encounters or wishes to encounter so as to enhance their career's upward mobility. Most often, these opportunities are provided by the organization that the employee works for. Alternatively, the employee can still find these opportunities elsewhere, particularly those in the employee's career life.

✚ Improve Employee relationship with supervisor

Richard et al., (2009) argue that there is a significant correlation between office relationships between employees and the supervisor. There are cases where supervisors can be cruel in the manner in which they assign responsibilities, work, or the way they micro-manage employees.

✚ Provide Performance Evaluations

Performance evaluations usually provide employees feedback and opportunity for mentoring with their supervisors. Performance evaluations provide sufficient opportunity where employees get to establish their work plans, objectives, and goals under the tutelage of their supervisors. Cleveland et al.,(2003) argues that if employees perceive that the kind of evaluations are skewed negatively towards them, or that they don't get sufficient feedback from their supervisors on expectations, performance, and goal setting, employees get frustrated.

✚ Improve Rewards system

According to Zhou et al.,(2009), rewards system are mechanisms through which organizations show appreciation towards employees for their commitment, performance, skills, knowledge or loyalty towards the organization.

2.1.11 Managing Resignations

In today's computer age, most organizations, large or small, are facing the hard truth of retaining their personnel. After engaging the most suitable persons for various jobs in the organization, the next function is how to retain them. According to Mobley (1982), while understanding that the determinants of employee turnover are critical to the creation of effective retention strategies, it is also important to understand and assess the potential costs and organizational consequences of turnover.

Not all employees possess knowledge, skills or connections that are of equal strategic importance to organizational objectives (Lepak & Snell, 1999). Similarly, not all employees demonstrate equally high performance levels. Consequently, retention strategies are more effective if they are targeted at employees who have the greatest impact on core activities within the organization. A successful company cannot survive without an effective retention program.

Therefore, there is a need for a plan that takes into account the vulnerability of key losses, reducing employee turnover, lowering expensive replacement costs and increasing motivation to achieve company growth objectives and maximizing profit potential (Flowers & Hughes, 1973).

2.2 Empirical Literature Review

Asmamaw Aregete (2011) was the one who conducted research on turnover, shows Pay is the most critical outcome of organizational membership for employees to stay on. The unfavorable work conditions resulted to the employees developing work related stress and reduced employees' organizational commitment. Employees were not involved in decision making process, even those decisions which affected their jobs. Perhaps this resulted to the main causes of resignation. The management did not treat their employees and employers were described as inflexible and they did not provide a balance between work and employees' personal life.

Similar results have been found from the study of (Hemdi et al., 2012; Lam et al., 2003; Pathak, 2012) which revealed that bad working conditions, low salaries, work stress, and injustice between the employees will help them consider the idea of leaving their work to cause an actual turnover.

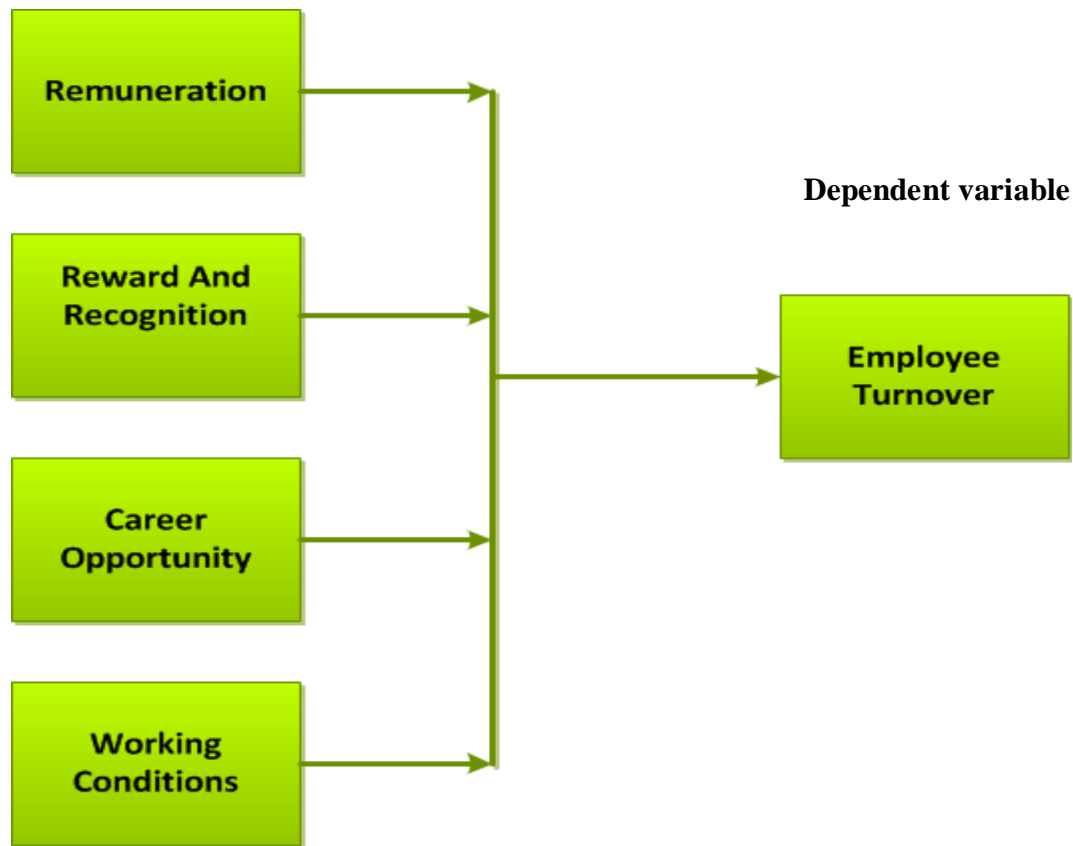
(Lindsey M. Goff, 2013) was the one who conducted research on turnover, accordingly the case study proved three main areas in which influence intent to leave; the rewards of the job, the internal job environment of the organization, and the opportunities available to employees internally and externally.

In Romania at the University of Timișoara finding of research conducted by Daniel Kysilka et, al, (2011) implies that high turnover occurs due to; seasonality, pay and hours, lack of leadership, customer service issues, labor pool, and training.

2.3 Conceptual Framework

A conceptual framework is defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Ramey & Reichel, 1987). The conceptual framework in this study was used to show various variables that employee turnover in defense construction enterprise. The main variables of the study include remuneration, reward and recognition, career opportunities and working conditions. These variables are considered independent and are to be analyzed in relation to how they affect employee turnover in Defense Construction Enterprise. The conceptual framework of the study is presented in figure 1 as follows:

Independent variable



Source: Herzberg two Factor Theory/Maslow Theory (Loiseau 2011)

Figure 1: Conceptual framework

2.4 Chapter Summary

This chapter reviewed the relevant literature in relation to factors affecting employee turnover in the Defense Construction Enterprise in respect to the research questions. The next chapter deals with the research methodology that was used to carry out the study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The primary focus of this chapter is to provide an overview of the research methodology used to answer the research problems. Hence, the data sources, the sampling technique, data processing and analysis using statistical techniques will be discussed.

3.1 Research Design and Approach

The function of research design is to provide for the collection of relevant evidence with minimal expenditure of effort, time and money (Kothari, C. 2004). The study investigated and assesses factors affecting employees' turnover in the head office of Defense Construction Enterprise. This study was adopting both the qualitative and quantitative data collection methods. Qualitative and quantitative research approaches provide both an in-depth look at context, processes, and interactions and precise measurement of attitudes and outcomes. In this mixed method, the presentation of the results was convincing and powerful. The researcher was used descriptive type of research method, because it was attempt to describe the actual rate of employee turnover and the variables or factors affecting employee turnover in the head office of Defense Construction Enterprise.

3.2 Population, Sample Size and Sampling Techniques

3.2.1 Population

Target population as defined by Frederic (2010), is a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The target populations for the study were 422 employees of Defense Construction Enterprise in the head offices' of different departments. The employees are categorized as follows in Table 2.

Table 2: Target Population of DCE

No.	Target population	Number of Employee	Percentage
1	General manager office	4	1%
2	Supportive process office	4	1%
3	Law department	8	2%
4	Internal audit department	10	2%
5	Planning and business development department	9	2%
6	Information communication department	8	2%
7	Road construction engineering department	30	7%
8	Building construction engineering department	43	10%
9	Construction equipment maintenance department	118	28%
10	Human resource department	83	20%
11	Finance department	37	9%
12	Procurement department	35	8%
13	Property administration department	33	8%
Total		422	100%

Source: Defense Construction Human Resource Management Department

3.2.2 Sampling Design and Sampling Techniques

According to Denning (2001) sampling is the process by which a relatively small number of individual, object or event is selected and analyzed in order to find out something about the entire population from which it was selected. The population of this study consists of employees currently working at Defense Construction Enterprise. The sample size selected was considered as representative of enterprise's employees and from 422 total employees of the enterprise, the researcher had taken 98 samples to represent the total population. As to the sample size determination, from among different methods, the one that has developed by Krejcie & Morgan (1970) was used.

$$N = \frac{X^2 * N * P * (1 - P)}{ME^2 * (N - 1) + X^2 * P * (1 - P)}$$

Where: n = Sample Size

X^2 = Chi –Square for the specified confidence level at 1 degree of freedom

N = Population Size

P = Population proportion (.50)

ME = desired Margin of Error

$$\text{Sample Size} = \frac{2.706^2 * 422 * 0.5 * 0.5}{0.1^2 * (421) + (2.706^2 * 0.5)}$$

$$n = 98$$

Employees were selected from each department by proportionate stratified random sampling technique. Under this technique, the population was divided into different divisions, which is individually more homogeneous than the total population. Then staffs were selected from the divisions by random sampling technique. Since each division is more homogeneous than the total population, this study was able to get more precise estimate for each division. By estimating more accurately each of the component parts of population, the study got a better estimate of the whole population. Therefore the sample frame is presented in the following in Table 3.

Table 3: Sample Frame

No.	Departments	Number of Employee	Percentage
1	General manager office	1	1%
2	Supportive process office	1	1%
3	Law department	2	2%
4	Internal audit department	2	2%
5	Planning and business development department	2	2%
6	Information communication department	2	2%
7	Road construction engineering department	7	7%
8	Building construction engineering department	10	10%
9	Construction equipment maintenance department	27	28%
10	Human resource department	19	19%
11	Finance department	9	9%
12	Procurement department	8	8%
13	Property administration department	8	8%
	Total	98	100%

Source: Survey data, 2018

3.3 Sources and Tools of Data Collection

To conduct this study, the researcher was used both quantitative and qualitative data types which was collect through primary and secondary sources of data. Primary data was gathered through structured questionnaires containing both close and open-ended questions, to enable respondents to comment freely on any aspects. The questionnaires were administered to the sample respondents of the study area and were organized using Likert scale ranging from 1 to 5 and it was prepared in English language.

A cover letter was attached to the questionnaire, which explained the purpose of the study, ethical considerations such as anonymity, confidentiality, and it also highlighted that the participation is on voluntary basis. Employees were informed that the purpose of the study was to assess Factors Affecting Employee Turnover of Defense Construction Enterprise and there was no right or wrong answers to questions included in the survey.

3.3.1 Questionnaire

Questionnaires were distributed to the staffs of the enterprise. The research evidence was gathered by using open ended and close-ended questionnaire. Mixed questionnaires have many merits; the most important of this advantage is its considerable flexibility (McNabb, 2005).

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each of measurement, there are /is an appropriate method/s that can be applied and not others. In this research, ordinal scale was used. Ordinal scale is a ranking or a rating data normally uses integers in ascending and descending order. Hence, the questionnaires were structured based on those used by Iyoha and Faboyede (2011), and Sharif (2010). With regard to the close- ended questions, the respondents were asked to indicate their level of agreement on a five point Likert scale with the following ratings.

Item	Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree
Scale	5	4	3	2	1

On this scale a score of 5 or 4 indicates that the item is perceived to be essential while a score of 3 or 2 indicates that the item is perceived to be fairly important, but not essential, while a score of 1 indicates that the item could be disregarded for being unimportant. Similar scales have been used by Courtis (1992) and Iyoha and Faboyede (2011) and is found suitable.

The relative index technique has been widely used in construction research for measuring attitudes with respect to surveyed variables. Several researches use the relative importance index in their analysis. The respondents were asked to gauge the identified interface problems on a five-point Likert scale (1 for the strongly disagree to 5 for the strongly agree).

3.3.2 Interview

Semi structured interview with Human Resource Manager of the Enterprise was conducted. It was allowed the investigator some degree of flexibility at the time of interviewing for the pursuit of unexpected line of inquiry. Under the study, the researcher was also used the interview for triangulation Purpose.

3.4 Procedures of Data Collection

The following procedures were strictly followed by the researcher to collect the data required for the study.

- ✚ Data collection tools that are questionnaires and interview check list were prepared.
- ✚ The questionnaire developed current employees were pilot tested to check clarity.
- ✚ Cronbach's Alpha Coefficient was made based on the feedback obtained from the pilot test session.
- ✚ The amended questionnaire was delivered by hand to the respondents at their duty stations during working hours and collected through the research assistant.
- ✚ Interview session was conducted with the human resource manager and the information obtained was compiled accordingly.

3.5 Method of Data Analysis

After data collection and processing were finalized, the remaining work was analyzing and interpreting the collected data. The obtained data was summarized, organized, tabulated, coded, and analyzed using IBM (International Business Management) SPSS (Statistical Package for Social Science) version 25 and descriptive statistics like frequency and percentage, which includes the means and standard deviations. The data collected was analyzed using mean which was a measure of central tendency.

Furthermore, in order to see the relationship among variable correlation and Multiple Linear Regression was used in the study. The relationship between the dependent variable, employee turnover and the independent variables is expressed as a linear combination of the independent variables plus an error term.

Following Greene (2003), the multiple linear regression models is specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

3.6 Validity and Reliability of the Instruments

This section presents test of reliability of questionnaire according to the pilot study. The reliability of an instrument is the degree of consistency which measures the attribute; it is supposed to be measuring (Polit & Hunger, 1985). The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient (Polit & Hunger, 1985).

Chronbach's coefficient alpha (George and Mallery, 2003) is designed as a measure of internal consistency, that is, do all items within the instrument measure the same thing? Chronbach's alpha is used here to measure the reliability of the questionnaire between each field. The normal range of Chronbach's coefficient alpha value between 0.0 and + 1.0. The closer the Alpha is to 1, the greater the internal consistency of items in the instrument being assumed. The formula that determines alpha is fairly simple and makes use of the items (variables), k , in the scale and the average of the inter-item correlations, r :

$$\alpha = \frac{k r}{1 + (k - 1) r}$$

As the number of items (variables) in the scale (k) increases, the value becomes large. Also, if the inter correlation between items is large, the corresponding will also be large. Since the alpha value is inflated by a large number of variables then there is no set interpretation as to what is an acceptable alpha value. A rule of thumb that applies to most situations is: $a \geq 0.9$ = Excellent; $0.9 > a \geq 0.8$ = Good; $0.8 > a \geq 0.7$ = Accepted; $0.7 > a \geq 0.6$ = Questionable; $0.6 > a \geq 0.5$ = Poor and $0.5 > a$ = Unacceptable.

Table 4 shows the values of Chronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Chronbach's Alpha were in the range from 0.61 and 0.87. This range is considered high; the result ensures the reliability of each field of the questionnaire. Chronbach's Alpha equals 0.92 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire. Thereby, it can be said that it is proved that the questionnaire is valid, reliable, and ready for distribution for the population sample.

Table 4: Reliability Analysis for the variables

S.N	Factors	Number of Item	Cronbach Alpha Value
1	Remuneration	5	0.85
2	Rewards and Recognition	12	0.87
3	Career Development and Promotion	16	0.61
4	Working Condition	15	0.75
5	Employee Turnover	3	0.79
Overall		51	0.92

3.7 Ethical Considerations

Participants in the study was fully informed of the nature and the purpose of the research and was assured of their rights to withdraw from answering any questions they were not comfortable with, without repercussions. The researcher was also appeal for their co-operation. Informed consent was obtained from respondents and they were also assured

confidentiality of any information they provided. Above all, the study was conducted with the consent of the target organization. Moreover all relevant materials consulted were acknowledged.

3.8 Chapter Summary

Under this chapter, the researcher describes the type and design of the research; the subjects/participant of the study; the sources of the data; the data collection tools/instruments employed; the procedures of data collection; and the methods of data analysis used.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter discusses the results of the data analyzed from the questionnaires. Descriptive analysis of the demographic information is presented in the first section, as provided for by study respondents. The organization of the chapter is equally based on chronological arrangement of research questions. Research question one presents findings on remuneration as a factor affecting employees' turnover. The second research question section analyses findings on rewards and recognition as a factor affecting employee turnover. The third research question section analyses findings on career development as a factor affecting employee turnover. While the fourth research question presents findings on working condition as a factor affecting employee turnover. The findings in this chapter are represented in form of distribution tables, means, and graphs while the summary of major findings made at the last chapter.

4.1. Response Rate

According to Bacon (2014), response rate is defined as the extent to which the final set of questionnaires collected from respondents is calculated against the number of questionnaires received back from respondents in the study. For this study, the sample size was 98 respondents. The researcher distributed a total of 98 questionnaires, out of which 92 respondents returned the completed questionnaires giving a response rate of 94%. The response rate was high as confirmed by Babbie (1998) that a response rate of at least 50% is adequate for analysis. The response rate is shown in Table 5.

Table 5: Response Rate

Category	Frequency	Percentage
Response	92	94%
Non Response	6	6%
Total	98	100%

Source: Survey data, 2018

4.2. Demographic Characteristics of Respondents

The demographic for this study included gender, age, marital status, level of education, work experience and years of work at the enterprise. The following are some of the findings that were obtained with regards to demographic information.

Table 6: Demographic Characteristics of the Respondents

Gender of the Respondents		
Respondents	Frequency	Percentage
Male	71	77.2%
Female	21	22.8%
Total	92	100%
Age Distribution of the Respondents		
20-30 years	29	31.5%
31 to 40 years	49	53.3%
41 to 45 years	2	2.2%
46 to 50 years	6	6.5%
Above 50 years	6	6.5%
Total	92	100%
Marital Status of the Respondents		
Married	67	72.8%
Single	25	27.2%
Divorced	-	-
Total	92	100%
Educational level of the Respondents		
Degree	52	56.5%
Diploma	34	37%
Postgraduate	6	6.5%
Total	92	100%

Work Experience of the Respondents		
Respondents	Frequency	Percentage
Below 5 Years	40	43.5%
6-10 Years	29	31.5%
11-15 Years	9	9.8%
Greater Than 15 Years	14	15.2%
Total	92	100%
Tenure of the Respondents in the Enterprise		
Less than1 year	3	3.3%
1 - 3 years	25	27.2%
3 - 5 years	44	47.8%
5 - 10 years	15	16.3%
Above 10 years	5	5.4%
Total	92	100%

Source: Survey data, 2018

Table 6 shows the distribution of the respondents by gender, and it is clear from the table that 71 (77.2%) male, while female respondents were 21 (22.8%). The study therefore indicates that the majority of respondents were male; this implied Male employment in the enterprise is high.

According to table 6 above, respondents of age distribution was as follows: 31 to 40 years were the majority at 49 (53%), followed by those aged 20 to 30 years at 29 (31%) years. The study also shows that 6 (6.5%) of the respondents were aged 46 to 50 years and above 50 years respectively, while 41 to 45 years only 2 (2.2%). From this, one can conclude that, almost 80% of current employees of the organization are between age group of below 40 years. Thus it can be said that majority of the respondent engaged in the enterprise as employees are young aged, this implies that the respondents are of young age and are willing to work energetically and face challenges that's their jobs may brought them.

The table also shows the distribution of Marital Status of the Respondents and indicated that 67 (72.8%) of respondents working at DCE are married whereas 25 (27.2%) are single. So, it can be possible to generalize based on the respondents response obtained employees of the organization are mostly married. Being married may not cause mobility of employees in the organization.

Regarding about Educational level of the respondents, and it is clear from the table that 52 (56.5%) of respondents are first degree level qualification, 34 (37%) of respondents are diploma holders and 6 (6.5%) of respondents are master's degree holders. Depending on respondents' response, one can conclude most employees of the organization are qualified in first degree level. Here also, it is assumed to have an employees with higher education level are expected to have high level of perceived alternative job opportunities.

As it is depicted under Table 6 above the majority of the respondents which constitute about 40 respondents (43.5 %) have below five years' work experience. 29 respondents (31.5%) have six to ten years' work experience. 14 respondents (15.2%) have greater than fifteen years' work experience and a very small proportion of respondents had an eleven up to fifteen years' work experience, which constituted about 9 (9.8%). Therefore most of respondents of current employees have for less than five years of experience.

Finally the above table shows, the highest number of years spent by respondents at Defense Construction Enterprise was 3 to 5 years at 44 (47.8%) followed by 1 to 3 years at 25 (27.2%), 15 (16.3%) of the respondents indicated they had been at the enterprise for 5 to 10 years, and 5 (5.4%) of the respondents indicated they had been at the enterprise for above 10 years, while only 3 (3.3%) of respondents indicated less than one years. This show there is less tenure in the enterprise and indicates high turnover in the enterprise.

4.2.1. Understanding of Respondents in Employee Turnover

Employee turnover section of the questionnaire aimed at collecting data on the respondents understanding of employee turnover at the enterprise. The study aim was to have respondents indicate the reasons for the turnover, the enterprise can do to reduce employee turnover,

turnover cost of the enterprise, level of cost of recruiting new employees and equally, the study sought to find out which industry employees moves to after leaving the enterprise and the remedies the enterprise can put in place to remedy the situation. The following sections present the findings on employee turnover from the study.

4.2.1.1 Reasons for Employee Turnover at Defense Construction Enterprise

Employees were asked to indicate reasons they believe cause employee turnover at the enterprise. The results are shown in Table 7 below.

Table 7: Reasons for Employee Turnover at Defense Construction Enterprise

No.	Item	Sample	Response categories						Mean	Std. Deviation
			Yes		No		Not Sure			
			F	%	F	%	F	%		
1	Uncompetitive compensation package	80	52	65.0	18	22.5	10	12.5	1.48	0.711
2	Job and employee skill mismatch	75	48	64.0	23	30.7	4	5.33	1.41	0.595
3	Less growth opportunities	76	57	75.0	12	15.8	7	9.21	1.34	0.644
4	Less recognition	75	53	70.7	15	20.0	7	9.33	1.39	0.655
5	Poor working conditions	72	47	65.3	20	27.8	5	6.94	1.42	0.622

Source: Survey data, 2018

The study findings in Table 7, item 1, shows that 65% of respondents believed that, employee turnover at the enterprise is due to uncompetitive compensation package with the highest mean of 1.48. In item 2, shows that 64% of respondents believed that, employee leave the enterprise due to job and employee skill mismatch with a mean of 1.41.

In the same table, item 3 shows that 75% of respondents believed that, employee turnover at the enterprise is due to less growth opportunities with a mean of 1.34. In item 4, shows that 70% of respondents believed that, employee leave the enterprise due to less recognition with a mean of 1.39. While in item 5 shows that, 65% of respondents believed that, employee turnover at the enterprise is due to poor working conditions with a mean of 1.42.

4.2.1.2 What Defense Construction Enterprise Can Do to Reduce Turnover?

Respondents were asked to indicate the things that they believe Defense Construction Enterprise can do to reduce turnover. Table 8 below shows the study findings.

Table 8: What Defense Construction Enterprise Can Do to Reduce Turnover?

N o.	Item	Sa m pl e	Response categories						Mea n	Std. Deviati on
			Yes		No		Not Sure			
			F	%	F	%	F	%		
1	Offer competitive Pay Package	80	67	83.8	11	13.8	2	2.5	1.19	0.453
2	Treat each employee with respect regardless of their job	79	73	92.4	5	6.3	1	1.27	1.09	0.328
3	Offer flexible working hours	77	69	89.6	7	9.1	1	1.3	1.25	0.47
4	Offer good working environment	77	69	89.6	7	9.1	1	1.3	1.12	0.362
5	Offer opportunities for growth	76	69	90.8	5	6.6	2	2.63	1.12	0.399

Source: Survey data, 2018

The study findings in Table 8, item 1, shows that 83% of respondents believed that, offering competitive pay packages is the best way of reducing employee turnover with the mean of 1.19. In item 2, shows that 92% of respondents believed that, treat each employee with respect regardless of their job is the best way of reducing employee turnover with a mean of 1.09.

In the same table, item 3 shows that 89% of respondents believed that, offer flexible working hours is the best way of reducing employee turnover with the mean of 1.25. In item 4, shows that 89% of respondents believed that, offer good working environment is the best way of reducing employee turnover with the mean of 1.12. While in item 5 show that, 90% of respondents believed that, offer opportunities for growth is the best way of reducing employee turnover with the mean of 1.12.

4.2.1.3 The Cost of Turnover in DCE

Respondents were asked to indicate which cost they believed had the highest impact on the organization in terms of turnover. The findings are shown in Table 9 below:

Table 9: The Cost of Turnover in Defense Construction Enterprise

No.	Item	Sample	Response categories						Mean	Std. Deviation
			Yes		No		Not Sure			
			F	%	F	%	F	%		
1	Recruitment Costs	75	50	66.7	17	22.7	8	10.7	1.44	0.683
2	Interview Costs	68	8	11.8	50	73.5	10	14.7	2.03	0.517
3	Training Costs	72	31	43.1	8	11.1	33	45.8	2.03	0.949
4	Administration Costs	76	65	85.5	8	10.5	3	3.95	1.18	0.482
5	Separation Costs	71	45	63.4	12	16.9	14	19.7	1.56	0.806

Source: Survey data, 2018

The study findings in Table 9, item 1, shows that 66% of respondents believed that, recruitment costs were the highest cost organizations incur after employee turnover with the mean of 1.44. In item 2, shows that 73% of respondents believed that, interview costs were not the highest cost organizations incur after employee turnover with the mean of 2.03.

In the same table, item 3 shows that 43% of respondents believed that, training costs were the highest cost organizations incur after employee turnover with the mean of 2.03. In item 4, shows that 85% of respondents believed that, administration costs were the highest cost organizations incur after employee turnover with the mean of 1.18. While in item 5 show that, 63% of respondents believed that, separation costs were the highest cost organizations incur after employee turnover with the mean of 1.56.

4.2.1.4 Cost of Recruiting New Employees in DCE

Similarly respondents were asked to indicate the cost of recruiting new employee after turnover. The results are shown in Table 10 below.

Table 10: Cost of Recruiting New Employees in Defense Construction Enterprise

Distribution		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very low	8	8.7	8.7	8.7
	Low	26	28.3	28.3	37.0
	No cost	7	7.6	7.6	44.6
	High	48	52.2	52.2	96.7
	Very high	3	3.3	3.3	100.0
	Total	92	100.0	100.0	

Source: Survey data, 2018

The study findings in the above table 10 shows that, 48, (52.2%) of respondents indicated that cost of recruiting new employee after turnover to be high, while 26, (28.3%) believed the cost to be low. 3, (3.3%) of respondents indicated the cost of recruitment to be very high, while 8, (8.7%) of respondents only indicated the cost of recruiting new employee as very low and 7, (7.6%) of respondents indicated the cost of recruiting new employee as no cost. We can conclude that, half of the respondents are believed that the cost of recruiting new employee after turnover is high.

4.2.1.5 Organizations Employees Join after Leaving the Enterprise

The study sought to find out the kind of organizations employees join after they leave the enterprise. The findings are shown in Table 11 below:

Table 11: Organizations Employees Join after Leaving the Enterprise

Distribution		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	An organization in the same sector	57	62.0	64.0	64.0
	An organization in different sector	23	25.0	25.8	89.9
	Further study	7	7.6	7.9	97.8
	Self-employment	2	2.2	2.2	100.0
	Total	89	96.7	100.0	
Missing	System	3	3.3		
Total		92	100.0		

Source: Survey data, 2018

The findings of the above table 11 indicates that, 52, (62%) of respondents believe that employees who leave the enterprise join organizations in the same construction industry. 23, (25%) of respondents indicated that employees leaving join organizations in different sectors, while 7, (7.6%) said employees leaving go for further studies and 2, (2.2%) of respondents indicated that employees who leave are self-employed. We can conclude that, half of the respondents are believe that employees who leave the enterprise join organizations in the same construction industry.

4.3. Analysis of Data Collected for the Study

4.3.1. Remuneration and Employee Turnover

Remuneration section of the questionnaire aimed at collecting data on the respondents understanding of effects remuneration at the enterprise have on employee turnover. The section covers only remuneration. The following section presents the findings on remuneration and employee turnover from the study.

4.3.1.1 Remuneration

The respondents were asked a series of questions on what they thought constituted remuneration and their effect on employee turnover. Table 12 below indicates the findings.

Table 12: Remuneration and their effect on employee turnover

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	I feel that I am well paid in comparison with my experience, responsibilities and qualification that is equal to the required job	92	3	3.3	9	9.8	17	18	53	58	10	11	2.37	0.922
2	The number of vacation, Sick leave and Insurance policy (safety, health) set by the enterprise is adequate for me	92	2	2.2	17	18.5	11	12	53	58	9	10	2.46	0.977

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
3	I am happy with assistance given by the enterprise in terms of school fee, leave for exams, subscriptions	86	3	3.5	8	9.3	8	9	54	63	13	15	2.27	0.932
4	I am happy with company's assistance for loans (housing, staff loans and Other loans)	92	4	4.3	10	10.9	18	20	45	49	15	16	2.38	1.025
5	The amount of pay I receive for my job is about equal to others doing similar work in other construction companies	92	3	3.3	10	10.9	18	20	26	28	35	38	2.13	1.141

Source: **Survey data, 2018**

The study findings in Table 12, item 1, shows that 69% of employees they feel that they are not well paid in comparison with their experience; responsibilities and qualification that are equal to the required job with a mean of 2.37. In item 2, shows that 68% of employees of the organization are believed that, the number of vacation, Sick leave and Insurance policy (safety, health) set by the enterprise is not adequate for employees with a mean of 2.46.

In the same table, item 3 shows that 78% of respondents of the enterprise the assistance given by the enterprise in terms of school fee, leave for exams, subscriptions are not happy with the mean of 2.27. In item 4, shows that 65% of respondents of the enterprise the company's assistance for loans (housing, staff loans and other loans) for employees are not happy with the mean of 2.38. While in item 5 show that, 66% of employees they feel that the amount of pay they received for their job is not equal to others doing similar work in other construction companies with the mean of 2.13.

4.3.2. Rewards and Recognition and Employee Turnover

Rewards and Recognition section of the questionnaire aimed at collecting data on the respondents understanding of effects rewards and recognition at the enterprise have on

employee turnover. The section covers salary, bonus, and recognition. The following section presents the findings on rewards and recognition and employee turnover from the study.

4.3.2.1 Salary and Bonus

To determine how respondents felt about salary and bonus at the enterprise and its effect on turnover, respondents were asked a series of questions on the same. Table 13 below shows the findings.

Table 13: Salary and Bonus at the enterprise and its effect on turnover

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	The enterprise rewards system are fair to you	92	2	2.2	15	16.3	12	13	52	57	11	12	2.4	0.973
2	The salary grades are well structured	92	1	1.1	14	15.2	16	17	55	60	6	7	2.45	0.869
3	Your salary is based on your value to the enterprise	92	2	2.2	23	25.0	15	16	21	23	31	34	2.39	1.249
4	There is competitive salary scale in the enterprise compared to the market rate	92	3	3.3	11	12.0	17	18	51	55	10	11	2.41	0.951
5	You can quit the enterprise because of inadequate salary if you get another job	92	31	33.7	28	30.4	15	16	14	15	4	4	3.74	1.203
6	I feel that the performance bonus structure fairly rewards my effort	92	6	6.5	47	51.1	21	23	11	12	7	8	3.37	1.035
7	Bonuses influence your commitment to stay with the enterprise	91	39	42.9	21	23.1	16	18	9	10	6	7	3.86	1.261

Source: Survey data, 2018

The study findings in Table 13, item 1, show that 69% of employees they feel that the enterprise rewards system is not fair with a mean of 2.4. In item 2, shows that 67% of employees of the organization are believed that, the salary grades are not well structured with a mean of 2.45. In the same table, item 3 shows that 57% of employees of the organization are believed that, their salary is not based on their value to the enterprise with the mean of 2.39. In item 4, show that 66% of employees they feel that the enterprise have not a competitive salary scale in compared to the market with the mean of 2.41.

In the same table, item 5 shows that 64% of respondents agree for employees can quit the enterprise because of inadequate salary if they get another job with the mean of 3.74. In item 6, shows that 57% of respondents believed that, the performance bonus structure fairly rewards their effort with the mean of 3.37, While in item 7 show that, 66% of employees they feel that bonuses influence their commitment to stay with the enterprise with the mean of 3.86.

4.3.2.2 Recognition

Respondents were asked about what they felt about recognition and employee turnover at the enterprise. Table 14 below shows the study findings:

Table 14: Recognition and their effect on employee turnover

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	I am satisfied with the current work load	92	3	3.3	21	22.8	18	20	40	43	10	11	2.64	1.054
2	The work load is divided equally among all the organization employees	92	1	1.1	8	8.7	19	21	20	22	44	48	1.93	1.067
3	Employees who work more are rewarded with better appraisal rate and promotions	91	1	1.1	11	12.1	14	15	21	23	44	48	2.15	2.272
4	My qualification and experience are considered for promotion and the opportunity are equal to other employees	92	1	1.1	11	12.0	20	22	45	49	15	16	2.33	0.927

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
5	Managers recognize my effort immediate I do a good	92	3	3.3	12	13.0	18	20	46	50	13	14	2.41	0.996

Source: Survey data, 2018

The study findings in Table 14, item 1, show that 54% of employees they feel that they are not satisfied with the current work load with a mean of 2.64. In item 2, show that 70% of respondents believed that, the work load is not divided equally among all the organization employees with a mean of 1.93.

In the same table, item 3 shows that 71% of employees of the organization are believed that, employees who work more are not rewarded with better appraisal rate and promotions with the mean of 2.15. In item 4, shows that 65% of employees of the organization are believed that, employee's qualification and experience are not considered for promotion and the opportunity are not equal to other employees with the mean of 2.33. While in item 5 show that, 64% of employees they feel that managers are not recognize employees' effort immediate they do a good with the mean of 2.41.

4.3.3. Career Development and Employee Turnover

Career development section of the questionnaire aimed at collecting data on the respondents understanding of effects career development at the enterprise have on employee turnover. The section covers training and development, career planning, and growth opportunities. The following section presents the findings on career development and employee turnover from the study.

4.3.3.1 Training and Development

The respondents were asked a series of questions on what they thought training and development and their effect on employee turnover. Table 15 below indicates the findings.

Table 15: Training and development and their effect on employee turnover

N o.	Item	Sa mp le	Response categories										Mea n	Std. Deviat ion
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	The enterprise provides you with Job training	92	5	5.4	22	23.9	21	23	37	40	7	8	2.79	1.064
2	The Trainings are well organized	92	3	3.3	14	15.2	24	26	16	17	35	38	2.28	1.216
3	The Development programs are well organized	91	3	3.3	7	7.7	28	31	19	21	34	37	2.19	1.125
4	Training and development programs have enhanced my career skills	92	6	6.5	43	46.7	25	27	10	11	8	9	3.32	1.048
5	Training provides opportunities for career development	90	9	10.0	50	55.6	21	23	6	7	4	4	3.6	0.922

Source: Survey data, 2018

The study findings in Table 15, item 1, show that 48% of employees they believed that the enterprise does not provide job trainings for the employees with a mean of 2.79. In item 2, show that 55% of employees they believed that the trainings of the enterprise are not well organized with a mean of 2.28.

In the same table, item 3 shows that 58% of employees they believed that the development programs of the enterprise are not well organized with the mean of 2.19. In item 4, shows that 53% of employees they believed that training and development programs have enhanced employee career skills with the mean of 3.32. While in item 5 show that, 65% of employees they believed that training provides opportunities for career development with the mean of 3.6.

4.3.3.2 Career Planning

To determine how respondents felt about career planning at the enterprise and its effect on turnover, respondents were asked a series of questions on the same. Table 16 below shows the findings.

Table 16: Career planning and their effect on employee turnover

N o.	Item	Sa m ple	Response categories										Mea n	Std. Devia tion
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	There is a well-structured career planning program at the enterprise	92	2	2.2	15	16.3	23	25	20	22	32	35	2.29	1.172
2	Career plan enhances employees commitment to the enterprise	91	5	5.5	43	47.3	29	32	9	10	5	5	3.37	0.939
3	In career planning employees skills are matched with their job descriptions	92	2	2.2	15	16.3	17	18	48	52	10	11	2.47	0.966
4	Adequate job duties enables evaluate your career plan	92	2	2.2	42	45.7	25	27	19	21	4	4	3.21	0.944
5	There is well structured promotional activities in the enterprise	92	1	1.1	14	15.2	21	23	46	50	10	11	2.46	0.919

Source: Survey data, 2018

The study findings in Table 16, item 1, show that 57% of employees they believed that there is no well-structured career planning program at the enterprise with a mean of 2.29. In item 2, show that 48% of employees they believed that Career plan enhances employees' commitment to the enterprise with a mean of 3.37.

In the same table, item 3 shows that 62% of employees they believed that in career planning employees skills are not matched with their job descriptions with the mean of 2.47. In item 4, shows that 47% of employees they believed that adequate job duties enable evaluate your career plan with the mean of 3.21. While in item 5 show that, 61% of the respondents, they believed that there is no well-structured promotional activity in the enterprise with the mean of 2.46.

4.3.3.3 Growth Opportunities

Respondents were asked about what they felt about growth opportunities and employee turnover at the enterprise. Table 17 below shows the study findings:

Table 17: Growth opportunities and their effect on employee turnover

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	The enterprise has policies that support employee career growth	92	3	3.3	17	18.5	24	26	15	16	33	36	2.37	1.238
2	Management supports employee career growth	92	5	5.4	17	18.5	21	23	22	24	27	29	2.47	1.244
3	Actual career growth opportunities exist at the enterprise	92	4	4.3	9	9.8	22	24	44	48	13	14	2.42	0.997
4	Promotions are fair and just within the enterprise	92	1	1.1	14	15.2	14	15	45	49	18	20	2.29	0.989
5	Career growth opportunities are based on merit	91	2	2.2	16	17.6	50	55	20	22	3	3	3.25	3.13
6	The enterprise career growth is the best compared to the industry	92	1	1.1	10	10.9	34	37	14	15	33	36	2.26	1.098

Source: Survey data, 2018

The study findings in Table 17, item 1, show that 52% of employees they believed that the enterprise has not policies that support employee career growth with a mean of 2.37. In item 2, show that 53% of employees they believed that the management doesn't support employee career growth with a mean of 2.47.

In the same table, item 3 shows that 62% of the respondents, they believed that there is no actual career growth opportunities exist at the enterprise with the mean of 2.42. In item 4, shows that 69% of employees they believed that Promotions are not fair and just without the enterprise with the mean of 2.29 and. In item 5, shows that 25% of employees they believed that career growth opportunities are based on merit with the mean of 3.25. While in item 6 show that, 51% of employees they believed that the enterprise career growth is not the best compared to the industry with the mean of 2.26.

4.3.4. Working Condition and Employee Turnover

Working Condition section of the questionnaire aimed at collecting data on the respondents understanding of effects working condition at the enterprise have on employee turnover. The section covers working condition, employee relationship with supervisor and performance evaluation. The following section presents the findings on working condition and employee turnover from the study.

4.3.4.1 Working Condition

To determine how respondents felt about working condition at the enterprise and its effect on turnover, respondents were asked a series of questions on the same. Table 18 below shows the findings.

Table 18: Working condition and their effect on employee turnover

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	I'm satisfied with the overall work environment of the enterprise	92	2	2.2	15	16.3	20	22	39	42	16	17	2.43	1.03
2	The relationship between employees and managers is good	92	5	5.4	11	12.0	15	16	45	49	16	17	2.39	1.079
3	There is conducive working condition in the enterprise	92	3	3.3	14	15.2	21	23	41	45	13	14	2.49	1.022
4	The workplace of the enterprise have important facilities, such as proper lighting, furniture, clean restrooms, and other health and safety provisions	92	2	2.2	15	16.3	18	20	17	18	40	43	2.15	1.213
5	You feel employment security in the organization	92	4	4.3	11	12.0	19	21	47	51	11	12	2.46	0.999

Source: Survey data, 2018

The study findings in Table 18, item 1, show that 59% of employees they believed that they are not satisfied with the overall work environment of the enterprise with a mean of 2.43. In item 2, show that 66% of employees they believed that the relationship between employees and managers are not good with a mean of 2.39. In the same table, item 3 shows that 59% of employees they believed that there is no conducive working condition in the enterprise with the mean of 2.49. In item 4, shows that 61% of employees they believed that the workplaces of the enterprise have not important facilities with the mean of 2.15. While in item 5 show that, 63% of the respondents, they believed that they don't feel employment security in the enterprise with the mean of 2.46.

4.3.4.2 Employee Relationship with Supervisor

In this study, the questionnaire aimed at collecting data on the respondents understanding of the effects of employee relationship with their supervisor and employee turnover. The findings are shown in Table 19:

Table 19: Employee relationship with supervisor and their effect on employee turnover

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	You currently have a good relationship with your supervisor	92	6	6.5	18	19.6	14	15	18	20	36	39	2.35	1.346
2	Your relationship with the supervisor is beneficial to the enterprise	92	9	9.8	58	63.0	16	17	6	7	3	3	3.7	0.861
3	Your relationship with your supervisor is beneficial to you	92	8	8.7	58	63.0	17	18	6	7	3	3	3.67	0.853
4	Your relationship with your supervisor makes you committed to the enterprise	92	11	12.0	51	55.4	22	24	4	4	4	4	3.66	0.905
5	My supervisor keep me well informed on work issues	91	3	3.3	16	17.6	15	16	21	23	36	40	2.22	1.237

Source: Survey data, 2018

The study findings in Table 19, item 1, show that 59% of employees they believed that they have not a good relationship with their supervisor with a mean of 2.35. In item 2, show that 72% of employees they believed that employee relationship with the supervisor is beneficial to the enterprise productivity with a mean of 3.7. In the same table, item 3 shows that 71% of employees they believed that employee relationship with their supervisor is beneficial to the employee with the mean of 3.67. In item 4, show that 62% of employees they believed that employee relationship with their supervisor makes them committed to the enterprise with the mean of 3.66. While in item 5 show that, 51% of employees they believed that the supervisors' of the enterprise are not well informed on work issues with the mean of 2.22.

4.3.4.3 Performance Evaluations

This section deals with findings on respondents views on performance evaluations at Defense Construction Enterprise and how they affect employee turnover. The findings are shown in Table 20:

Table 20: Performance evaluations and their effect on employee turnover

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	You currently receive performance evaluation at the enterprise	92	4	4.3	29	31.5	21	23	34	37	4	4	2.95	1.02
2	Performance evaluation is well structured at the enterprise	92	2	2.2	12	13.0	21	23	22	24	35	38	2.17	1.145
3	The Performance evaluation system of the enterprise is fair to all employees	92	3	3.3	6	6.5	22	24	20	22	41	45	2.02	1.119
4	Performance evaluations are not used for penalty	91	4	4.4	18	19.8	43	47	19	21	7	8	2.92	0.946
5	Performance evaluations provide you with adequate feedback on your performance	92	2	2.2	10	10.9	24	26	17	18	39	42	2.12	1.147

Source: Survey data, 2018

The study findings in Table 20, item 1, show that 41% of employees they respond that currently they don't received performance evaluation at the enterprise with a mean of 2.95. In item 2, show that 62% of employees of the organization are believed that, there is no well-structured performance evaluation in the enterprise with a mean of 2.17.

In the same table, item 3 show that 67% of respondents of the enterprise believed that the performance evaluation system of the enterprise is not fair to all employees with the mean of 2.02. In item 4, show that 29% of respondents of the enterprise believed that managers used performance evaluation for penalty with the mean of 2.92. While in item 5 show that, 60% of employees they believed that the performance evaluation of the enterprises' doesn't provide adequate feedback on employee performance with the mean of 2.12.

4.3.5. Respondents Views about Employee Turnover

This section deals with findings on respondents views on employee turnover, productivity and satisfaction at DCE. The findings are shown in Table 21:

Table 21: Respondents views on employee turnover

No.	Item	Sample	Response categories										Mean	Std. Deviation
			SA		A		N		D		SD			
			F	%	F	%	F	%	F	%	F	%		
1	There is an employee turnover in the enterprise	92	39	42.4	19	20.7	30	33	4	4	0	0	4.01	0.966
2	There is an employee productivity in the enterprise	92	3	3.3	13	14.1	18	20	42	46	16	17	2.4	1.038
3	There is an employee satisfaction in the enterprise	92	3	3.3	14	15.2	21	23	17	18	37	40	2.23	1.223

Source: Survey data, 2018

The study findings in Table 21, item 1, show that 61% of employees they respond that there is an employee turnover in the enterprise with a mean of 4.01. In item 2, show that 63% of employees they believed that there is no employee productivity in the enterprise with a mean of 2.4. While in item 3 show that, 58% of employees they believed that there is no employee satisfaction in the enterprise with the mean of 2.23.

4.4. Correlation between Remuneration, Rewards and Recognition, Career development, Working Condition and Employee Turnover

The study findings were subjected to correlation analysis to determine the relationship between independent variables (remuneration, rewards and recognition, career development, working condition) and dependent variable (employee turnover). The findings are shown in Table 22 below:

Table 22: Remuneration, Rewards and Recognition, Career development, Working Condition and Employee Turnover **Correlation**

Correlations						
		Employee Turnover	Remuneration	Rewards and Recognition	Career development	Working Condition
Employee Turnover	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	92				
Remuneration	Pearson Correlation	.401**	1			
	Sig. (2-tailed)	.000				
	N	92	92			
Rewards and Recognition	Pearson Correlation	.492**	.528**	1		
	Sig. (2-tailed)	.000	.000			
	N	92	92	92		
Career development	Pearson Correlation	.543**	.564**	.670**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	92	92	92	92	
Working Condition	Pearson Correlation	.553**	.467**	.640**	.695**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	92	92	92	92	92

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

Source: Survey data, 2018

Table 22 above indicates a strong significant positive relationship exists between remuneration, rewards and recognition, career development, working condition and employee turnover. Correlation coefficient for remuneration was $r = 0.401$; P value = 0.000. Correlation coefficient for rewards and recognition was $r = 0.492$; P value = 0.000. Correlation coefficient for career development was $r = 0.543$; P value = 0.000; Correlation

coefficient for working condition was $r = 0.553$; P value = 0.000. For all the four variables, the P value was less than 0.05; all the four variables met the significance level, therefore the relationships were statistically significant.

4.5. Remuneration, Rewards and Recognition, Career development, Working Condition, and Employee Turnover Regression Analysis

Since the findings between remuneration, rewards and recognition, career development, working condition, and employee turnover had a significant correlation, the relationship was subjected to regression analysis to determine the percentage contribution to the significance. The linear regression model used was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

The results are shown in Tables 23; 24; 25 and below:

Table 23: Remuneration, Rewards and Recognition, Career development, Working Condition, Employee Turnover and **Regression Analysis Summary**

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig.
1	.607 ^a	.368	.339	.45014	.000
Predictors: (Constant), Remuneration, Rewards and Recognition, Career development, Working Condition					
Dependent Variable: Employee Turnover					

Source: Survey data, 2018

The R^2 for this model is 0.368. This means that almost 36.8% of the variance dependent variables (Employee Turnover) is explained by the variation in the independent variables i.e. remuneration, rewards and recognition, career development, working condition. Overall significance is 0.000 which is less than 5% level of confidence. Thus, all variables are making a statistically significant unique contribution to the prediction of the dependent variable (Employee Turnover).

Table 24: Remuneration, Rewards and Recognition, Career development, Working Condition and Employee Turnover ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.279	4	2.570	12.682	.000 ^b
	Residual	17.628	87	.203		
	Total	27.907	91			
a. Dependent Variable: Employee Turnover						
b. Predictors: (Constant), Remuneration, Rewards and Recognition, Career development, Working Condition						
Source: Survey data, 2018						

Table 24 is the F-test, the linear regression's F-test has the null hypotheses that there is positive linear relationship between the predictors and dependent variable (in other words $R^2=1$). With $F = 12.682$ and 91 degrees of freedom the test is highly significant for $p < 0.05$ level of significance, thus we can assume that there is a linear relationship between the variables in our model.

Table 25: Remuneration, Rewards and Recognition, Career development, Working Condition and Employee Turnover and **Regression Coefficients**

Coefficients ^a							
Model			Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			B	Std. Error	Beta		
1	(Constant)		1.176	.263		4.473	.000
	Remuneration	x1	.069	.092	.081	.757	.451
	Rewards and Recognition	x2	.132	.136	.120	.965	.337
	Career development	x3	.185	.116	.216	1.600	.113
	Working Condition	x4	.262	.114	.289	2.297	.024
a. Dependent Variable: Employee Turnover							
Source: Survey data, 2018							

Table 25 presents the regression coefficient dependent and independent variables. It follows that there is positive and significant relationship between working condition and employee turnover ($R = 0.289$; $P \text{ value} = 0.024$). It implies that the null hypothesis which states the working condition variable would significantly explain the variations in factors affecting employee turnover, is accepted. However, the relationship between remuneration, rewards and recognition, and Career development was positive but statistically insignificant.

Regression coefficient for remuneration was $R = 0.081$; $P \text{ value} = 0.451$, rewards and recognition $R = 0.120$; $P \text{ value} = 0.337$, and career development was $R = 0.216$; $P \text{ value} = 0.113$. This implies that the null hypothesis which states the remuneration, rewards and recognition, and career development, variable would significantly explain the variations in factors affecting employee turnover, is rejected.

Table 23 above shows and R adjusted square of 0.368, which indicates that 36.8% of variation in employee turnover can be explained with variation in remuneration, rewards and recognition, career development and working condition.

The Analysis of variance in Table 24 above indicates that $F(4, 87) = 12.682$. The P value was 0.000. This means that the mean differences between and within the variables meet the significance threshold since it was less than 0.05.

The formula used to compute the relationship was;

$$Y = \text{Employee Turnover} = 1.176 + 0.069X_1 + 0.132X_2 + 0.185X_3 + 0.262X_4$$

Where $X_1 = \text{Remuneration}$

$X_2 = \text{Rewards and Recognition}$

$X_3 = \text{Career development}$

$X_4 = \text{Working Condition}$

4.6. Interview Results with Human Resource Department Manager of DCE

The HR Manager argues that turnover is an obvious and that turnover can also be useful as the organization to make way for capable employees continue in the organization. However, the management of the institution is happy if qualified and trained employees not living the organization. To minimize the frequencies of the turnover outgoing efforts has been done from the responsible bodies.

To the interview question about the reasons employees leaving the organization, He replay us employees are left the organization due to various reasons but majority of them are left the organization due to salary and benefits. He also mentioned that turnover is an endless phenomenon in a dynamic atmosphere; hence, the organization 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, the top management of the organization develops 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 organization is not look for competent employees externally. According to him, currently the organization has enough staffs which are qualified and experienced that can substitute their next positions. In addition, as a retention mechanism the organization review the current salary scale.

According to the HR Manager, exit interviews have been conducted to gather information on why employees leave the organization. The HR department is aware of the magnitude of turnover that is the increasing number of employee turnover especially for the last five years which more experienced and qualified workers are left the organization. This information is needed in order to gain an understanding of how to address the problems that lead to employee turnover.

Lastly, the manager pointed out that, the organization gives due cares to its employees since the success of the organization is directly related with the contribution of the employees. It is obvious that without the qualified and experienced staff it is very difficult to achieve the objective of the organization.

4.6.1. Costs and Retention Mechanisms of Turnover at DCE

To get potential and experienced employees DCE uses different mechanisms of polling employees to apply for vacant position posted or notified by the organization. The cost incurred by the organization on includes cost of advertisement via newspaper, interview costs, training and development costs of new and existing employees etc.

In the eyes of the management and responsible bodies of the organization it is trying to maintain stable work force through various mechanisms. In the first place full orientation is

given for new employees when they are hired about working condition of the organization, duties and responsibilities in each one of position will be explained, benefits that they will get also told to them. In order to improve the salary and benefits of employees the organization has planned and working with different organizations with the same industry. Therefore, this will reduce turnover of employees when it is implemented.

4.7. Document Analysis

4.7.1. Trend of Employee Turnover at DCE

Based on the data that was obtained for this study through the available documents from the organization such as monthly report, annual report and department document analysis was carried out to determine the turnover magnitude and trend of the organization. The findings are presented in the table below.

Table 26: The rate of Employee Turnover from 2014 - 2018

Category	Year				
	2014	2015	2016	2017	2018
	No	No	No	No	No
No. of employees leaving the enterprise	32	41	55	62	69
Total no of employees	288	309	340	379	422
Employees turnover rate	11.1%	13.3%	16.2%	16.3%	16.4%

Source:- DCE HR Documents

The data in the above table shows that the magnitude of staff turnover and the trend what it looks like from the period, i.e. from 2014 to 2018. Accordingly, as it is indicated in the table above, the number of staff leaving the organization in 2014 is 32 (11.1%), 2015 is 41 (13.3%), 2016 is 55 (16.2%), 2017 is 62 (16.3%) and 2018 is 69 (16.4%). Hence, the data reflects Defense Construction Enterprise is facing frequent employees turnover. Besides, the data shows that the average number of employees leaving the organization is 52 employees per year and 2014 was the minimum turnover of employees recorded and 2018 was the pick turnover recorded period.

In the strategic planning of the organization the tolerable attrition rate is 8.5%. However, the data in table 26 above reflects that the employee's turnover rate is more than the attrition rate set by the organization by 2.6% in 2014, 4.8% in 2015, 7.7% in 2016, 7.8% in 2017, and 7.9% in the year 2018. This shows that the organization faces a high employees' turnover.

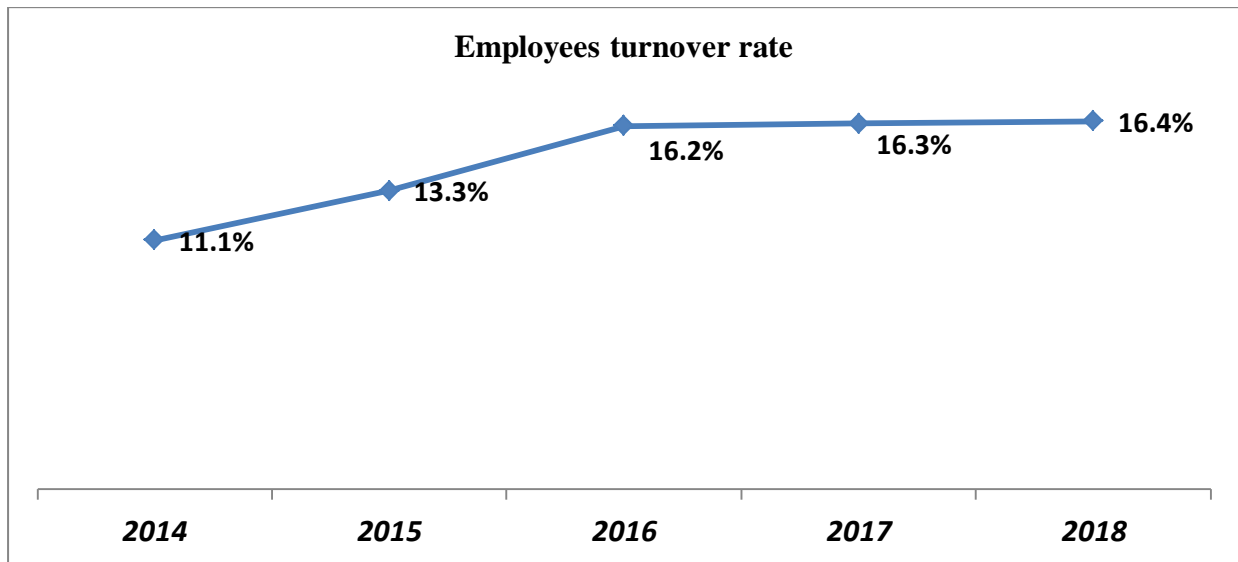


Figure 2: Employees Turnover Rate

From this figure we understood that the rate of employee turnover is not constant, in the period 2014 it is less than the other periods and in 2018 it is pike. However the organization faces a high turnover rate and it increasing at increasing rate.

4.8. Chapter Summary

This chapter presented the results and findings in relation to the three research objectives that were gathered from the questionnaires distributed to the respondents. The data gathered was entered into SPSS software for easy analysis of the data. Data was then presented in form of frequency tables and figures. The next chapter will present the summary, conclusion, limitation and recommendation of the research study carried out.

CHAPTER FIVE

SUMMARY, CONCLUSION, LIMITATION AND RECOMMENDATION

This chapter deals with the summary of findings, conclusion, limitation of the study and recommendation. The summary of findings includes; the remuneration variables, rewards and recognition variables, career development variables, and working condition variables that affecting employee turnover.

5.1 Summary of Findings

- ✚ Most of the respondents believe that, less growth opportunities is a cause of employee turnover in the enterprise (75%).
- ✚ Most of respondents believe that, treat each employee with respect regardless of their job is the best way of reducing employee turnover (92).
- ✚ Most of respondents believed that, administrative costs are the highest cost enterprise incur after employee turnover (85%).
- ✚ Most of respondents' believed that cost of recruiting new employee after turnover to be high (52%).
- ✚ Most of respondents believe that employees who leave the enterprise join organizations in the same construction industry (62%).
- ✚ A large number of employees respondents (69%), feel that the enterprise does not pay attractive salary in accordance to their experience, responsibilities and qualification and also the amount of pay they received for their job is not equal to others employee doing similar work in other companies for them (66%). Besides, the assistances given by the enterprise for loans such as housing, staff loans and other loans are not adequate for the employees' respondent (65%). In addition to this, majority of respondents (68%), the number of vacation, sick leave and insurance policy (safety & health) are not adequate for employees and also (78%) of respondents of the enterprise the assistance given by the enterprise in terms of school fee, leave for exams, subscriptions are not happy.

- ✚ Majority of employees (69%), they feel that the enterprise rewards system is not fair and (67%) the salary grades are not well structured and also (66%) they don't have a competitive salary scale. Besides, (57%) of employees of the organization are believed that, their salary is not based on their value to the enterprise. (64%) of respondents agree for employees can quit the enterprise because of inadequate salary if they get another job.
- ✚ A large no of employees (70%) agreed that, the work load is not divided equally and (54%) of employees they are not satisfied with the current work load. In addition to this (65%) of employees are believed that, employee's qualification and experience are not considered for promotion and the opportunity are not equal to other employees and also (71%) of employees believed that, employees who work more are not rewarded with better appraisal rate and promotions. Moreover, (64%) of employees they feel that managers are not recognize employees' effort.
- ✚ (48%) of employees agree that, the enterprise does not provide job trainings for the employees, (55%) and (58%) of employees agrees trainings and development are not well organized respectively.
- ✚ Majority of employees (61%) and (57%) believed that there is no well-structured promotional activity and career planning program at the enterprise respectively. Beside, (62%) of employees believed that in career planning employees skills are not matched with their job descriptions.
- ✚ A large no of employees (69%) believed that promotions are not fair and (62%) agree that there is no career growth opportunities exist at the enterprise. Besides, the enterprise career growth is not the best compared to the industry (51%).
- ✚ Majority of respondents (59%) believed that the overall work environment of the enterprise is not conducive, the relationship between employees and managers are not good (66%), not feel employment security (63%). Moreover, (61%) of employees they believed that the workplace of the enterprise have not important facilities.
- ✚ Most of employees (59%) agree they have not a good relationship with their supervisor and (51%) the supervisors' of the enterprise are not well informed on work issues.

- ✦ Majority of employees (62%) believed that, there is no well-structured performance evaluation, (67%) agree that the evaluation system is not fair and 60% believes the evaluations doesn't provide adequate feedback on employee performance.
- ✦ A large no of employees (61%) believed that there is an employee turnover, (58%) believed that there is no employee satisfaction and (63%) believed that there is no employee productivity in the enterprise.
- ✦ The regression coefficient dependent and independent variables. It follows that there is positive and significant relationship between working condition and employee turnover ($R = 0.289$; $P \text{ value} = 0.024$). It implies that the null hypothesis which states the working condition variable would significantly explain the variations in factors affecting employee turnover, is accepted. However, the relationship between remuneration, rewards and recognition, and Career development was positive but statistically insignificant.
- ✦ The management of the enterprise believes that the existence of employee turnover but the enterprise relates the turnover with salaries. The salary of the enterprise is also on the way to be adjusted considering of the turnover of employees to retain the existing employees of the enterprise.
- ✦ The enterprise has no strategies and programs that have been designed for improving working environment and carrier development.
- ✦ In the strategic planning of the organization the tolerable attrition rate is 8.5%. However, the employee's turnover rate is more than the attrition rate set by the organization by 2.6% in 2014, 4.8% in 2015, 7.7% in 2016, 7.8% in 2017, and 7.9% in the year 2018. This shows that the organization faces a high employees' turnover.

5.2 Conclusion

The researcher has made an attempt to identify major factors of employees' turnover at Defense Construction Enterprise. 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 SPSS, employing analysis techniques of descriptive statistics 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. Accordingly, the following conclusions are made.

- ✚ The salary, compensation system and benefit packages of the enterprise are not attractive. Hence, most of the employees left the enterprise, when they get better offer by the same competitors.
- ✚ The enterprise does not give enough recognition for well done work and employees are not appreciated at work.
- ✚ There is inequity in the enterprise during promotion of employees.
- ✚ In the enterprise career planning and growth opportunities are based on merit. Hence, some of the employees are leaving the enterprise and others are looking for outside opportunities.
- ✚ The enterprise does not provide adequate training opportunities for career development and also trainings in the enterprise are not well organized.
- ✚ The employer employee relationship in the enterprise is not good. Besides, supervisors and employee does not have good relationships.
- ✚ Since no job security in the enterprise, employees are leaving it.
- ✚ There is unfair employee handling in the enterprise.
- ✚ The major causes of employees turnover that impacted negatively on organizational productivity included; uncompetitive salary payment, lack of employees retention strategies, low level of employee motivation, lack of career development opportunities, lack of rewards, lack of reward and recognition, and poor work environment. The manner in which human resource management employs measures to address these factors determines the state of employee turnover in the organization.
- ✚ The management of the enterprise is aware about its experienced and qualified employee's turnover, but has only associated the cause with salaries and benefits packages. Besides, even if the management realizes some of the causes obtained, retention mechanisms as a strategy has not been developed to retain the employees so far.

- ✚ From the employees' side as they agreed in the response career development is rated as a significant element and training is not targeted and specific to the needs of them. Hence, lack of career development is one of the elements most likely to encourage employees' decision to leave the enterprise as many employees look for some growth and development opportunities and lack of training that is specific to the needs of the employee will result in frustration that leads to turnover, too.
- ✚ In the strategic planning of the organization the tolerable attrition rate is 8.5%. However, the employee's turnover rate is more than the attrition rate set by the organization. This and the trends of turnover in the enterprise show that the organization faces a high employees' turnover rate.
- ✚ In the eyes of the management and responsible bodies of the organization it is trying to maintain stable work force through only salary study but, the mechanism was not adequate and also doesn't supported by study.

5.3 Limitation of the Study

While conducting the research, many constraints were faced by the researcher. Some of the constraints were; reaching the respondents at the time of distributing and collecting the questioners. Secondly, inexperience of the researcher with such broad research causing him difficulties while data collecting and working through the analysis. Last but not least, time and budget which are always in scarce. Not only this but also, the fact that the study was only conducted in the head office of the enterprise limits the generalizability of the research findings.

5.4 Recommendation

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

- ✚ Different studies by various researcher reviewed on employee turnover indicates that factors like salary and benefit packages are the most common cause of the turnover rate being so high. If the enterprise doesn't offer good salaries and benefit packages, employees tend to hunt for jobs that pay them considerably well. In order

to resolve this problem, the enterprise is needed a compensation policy that is merit-based and offer salaries and benefits that would be competitive enough and benchmarked against other organizations in the same labor market to retain and attract well-qualified and experienced employees. If possible, it is strongly recommended to be the leading in salary paying against current market scales in the construction industry.

- ✚ Advancement and promotion are the prime reason why many employees leave the company. Due to no potential opportunity for advancements or promotions, employees prefer other companies which may provide them with higher posts and increased compensation packages. So, career development is the most important retention factor since offering good opportunities for career development not only prevents employees from leaving the enterprise but it also contributes in a positive way to their loyalty to the enterprise. The HR managers must also put more efforts in retention policies relating to the relationship between managers and supervisors with their subordinates, working environment and job content. Those factors are important predictors of employee satisfaction and they also significantly avert employees from leaving the enterprise. Besides, the enterprise should try to maximize opportunities for individual employees to develop their skills and move on in their careers. Where promotions are not feasible, a company can look for sideways moves that vary experience and can make the work more interesting.
- ✚ The enterprise should provide as much job security as possible. Employees who are made to feel that their jobs are precarious may put a great deal of effort in to impress, but they are also likely to be looking for more secured employment at the same time. Job security is greatly valued by most employees.
- ✚ A perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignation. In addition to this, as quality of supervision /style of management has high effect factor that contributed to employee turnover, it becomes necessary for manager treated all employees fairly and equally. This becomes more so important because any turnover resulting from inequality could also have legal implication on the enterprise. Accordingly, the enterprise encourages and promotes no discrimination against any of its employees

and the enterprise 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.

- ✚ The enterprise has to consider giving capacity building training for its staffs as much as possible to decrease employee turnover through well-developed training programs, since investment on people helps to maintain and develop their abilities and skills which will in turn benefit the company itself by increasing its competitiveness.
- ✚ The manager and supervisors of the enterprise need to show their appreciation to employees and should be more visible in the work to gain a better understanding of what is happening in the various work sections that are aimed at rewards for performance to retain valuable professional employees. Besides, the enterprise ought to implement more aggressive reward and recognition programs for well done work employees.
- ✚ Not satisfying in over all working environment is one of the main causes for employee turnover. Employees prefer to work in an environment which is suitable for them. This is the most common reason why they move from company to company. However, if they find a suitable work environment in a specific company, they may work in the same organization for several years. So, the enterprise should work on providing all required comfort and ease to perform the job to the employees to retain its qualified and experienced employees.

5.4.1 Future Research Directions

- ✚ Future research can be carried out to determine factors affecting employee turnover and other variables which were not identified in the present study.
- ✚ The sample was drawn from only one governmental construction industry, thus this study may be limited in its generalizability of the findings to other such organizations. So, future research should have to draw sample of respondents from different similar industries for the sake of comparing and generalizing the results of the study.

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APPENDICES

Appendix 1: Questionnaire

QUESTIONNAIRE

ST.MARY'S UNIVERSITY

School of Graduate Studies

Factors Affecting Employees Turnover:

The Case study of Defense Construction Enterprise

Employee Questionnaire:

Dear Respondents

This questionnaire is designed for preparing a thesis on the title of *Factors Affecting Employees Turnover* the case Defense Construction Enterprise. The outcome of the study will be used in order to suggest possible solutions for problems identified while conducting the study. I kindly request you to spent your precious time to fill the questionnaire as frank as and reasonable as possible. I inform you that, the information you provide will be consumed for academic purpose only. The information you provide is confidential. Therefore, you are not expected to write your name.

Sincerely yours

Asamnew Girma

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Part A: General Background of Respondents (Demographic Information)

Kindly ticks in the space provided (√) *one box only*

1. Gender

Male () Female ()

2. Age

20-30 years () 46 to 50 years ()
31 to 40 years () Above 50 years ()
41 to 45 years ()

3. Marital status

Single () Married () Divorced ()

4. Highest level of education

Postgraduate () Diploma ()
Degree () Certificate ()

5. Work Experience

Below 5 Years () 11-15 Years ()
6-10 Years () Greater Than 15 Years ()

6. Tenure (duration in this enterprise):

- a) Less than 1 year ()
- b) 1 - 3 years ()
- c) 3 - 5 years ()
- d) 5 - 10 years ()
- e) Above 10 years ()

Part B: Employee Turnover questions-

7. According to you, what are the reasons for the employee turnover at the enterprise?

- a. Uncompetitive Compensation package 1. Yes () 2. No () 3. Not Sure ()
- b. Job and employee skill mismatch 1. Yes () 2. No () 3. Not Sure ()
- c. Less growth opportunities 1. Yes () 2. No () 3. Not Sure ()
- d. Less recognition 1. Yes () 2. No () 3. Not Sure ()
- e. Poor working conditions 1. Yes () 2. No () 3. Not Sure ()
- f. Other (please specify)

8. Kindly indicate some of the things which the enterprise can do to reduce employee turnover?
- Offer competitive Pay Package 1. Yes () 2. No () 3. Not Sure ()
 - Treat each employee with respect regardless of their job 1. Yes () 2. No () 3. Not Sure ()
 - Offer flexible working hours 1. Yes () 2. No () 3. Not Sure ()
 - Offer good working environment. 1. Yes () 2. No () 3. Not Sure ()
 - Offer Opportunities for growth 1. Yes () 2. No () 3. Not Sure ()
 - Other (please specify)
9. Of the turnover costs, which one(s) costs the organization more?
- Recruitment Costs 1. Yes () 2. No () 3. Not Sure ()
 - Interview Costs 1. Yes () 2. No () 3. Not Sure ()
 - Training Costs 1. Yes () 2. No () 3. Not Sure ()
 - Administration Costs 1. Yes () 2. No () 3. Not Sure ()
 - Separation Costs 1. Yes () 2. No () 3. Not Sure ()
 - Other (please specify)
10. What do you think is the level of cost of recruiting a new employee?
- Very Low ()
 - Low ()
 - No Cost ()
 - High ()
 - Very High ()
11. Please indicate the type of organizations employees join when they leave the enterprise?
- An organization in the same sector ()
 - An organization in a different sector ()
 - Further study ()
 - Self-employment ()
 - Not working ()
 - Other (please specify)

Part C: Every respondent to answer this section. Kindly tick in the spaces provided for the answer that best represents your view. Indicate your level of agreement with the following statements. Scale 1= strongly disagree 2= disagree 3= moderate 4= agree 5= strongly agree.

1. Remuneration

A). Remuneration	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
I feel that I am well paid in comparison with my experience, responsibilities and qualification that is equal to the required job					
The number of vacation, Sick leave and Insurance policy (safety, health) set by the enterprise is adequate for me					
I am happy with assistance given by the enterprise in terms of school fee, leave for exams, subscriptions					
I am happy with company's assistance for loans (housing, staff loans and Other loans)					
The amount of pay I receive for my job is about equal to others doing similar work in other construction companies					

2. Rewards and Recognition

B). Salary and Bonus	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
The enterprise rewards system are fair to you					
The salary grades are well structured					
Your salary is based on your value to the enterprise					
There is competitive salary scale in the enterprise compared to the market rate					
You can quit the enterprise because of inadequate salary if you get another job					
I feel that the performance bonus structure fairly rewards my effort					
Bonuses influence your commitment to stay with the enterprise					
C). Recognition	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
I am satisfied with the current work load					
The work load is divided equally among all the organization employees					
Employees who work more are rewarded with better appraisal rate and promotions.					
My qualification and experience are considered for promotion and the opportunity are equal to other employees					
Managers recognize my effort immediate I do a good					

3. Career Development

D) Training & Development	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
The enterprise provides you with Job training					
The Trainings are well organized					
The Development programs are well organized					
Training and development programs have enhanced my career skills					
Training provides opportunities for career development					
E). Career Planning and Promotion	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
There is a well-structured career planning program at the enterprise					
Career plan enhances employees commitment to the enterprise					
In career planning employees skills are matched with their job descriptions					
Adequate job duties enables evaluate your career plan					
There is a well-structured promotional activities in the enterprise					

F). Growth Opportunities	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
The enterprise has policies that support employee career growth					
Management supports employee career growth					
Actual career growth opportunities exist at the enterprise					
Promotions are fair and just within the enterprise					
Career growth opportunities are based on merit					
The enterprise career growth is the best compared to the industry					

4. Working Condition

G). Working Condition	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
I'm satisfied with the overall work environment of the enterprise					
The relationship between employees and managers is good					
There is a good working condition in the enterprise.					
The workplace of the enterprise have important facilities, such as proper lighting, furniture, clean restrooms, and other health and safety provisions					
You feel employment security in the organization					
H). Employee Relationship with Supervisor	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
You currently have a good relationship with your supervisor					
Your relationship with the supervisor is beneficial to the enterprise					
Your relationship with your supervisor is beneficial to you					
Your relationship with your supervisor makes you committed to the enterprise					
My supervisor keep me well informed on work issues					
I). Performance Evaluations	(SD) 1	(D) 2	(M) 3	(A) 4	(SA) 5
You currently receive performance evaluation at the enterprise					
Performance evaluation is well structured at the enterprise					
The Performance evaluation system of the enterprise is fair to all employees.					
Performance evaluations are not punitive/penalty/					
Performance evaluations provide you with adequate feedback on your performance					

Thank you for your Time!!!!

Interview Questions

Appendix 2: Interview Questions

Interview Questions to Human Resource Department Manager

1. Is management aware about employee turnover of the organization?
2. What is your view regarding reasons for turnover of employees?
3. What costs the organizations incur due to turnover?
4. What retention mechanisms the organization made to proactively retain existing employees?
5. What is the view of current employees to stay in the organization?
6. Do all employees aware about turnover of the organization?

Declaration

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Goitom Abraham (Asst. Prof.). All sources of material used for thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any higher learning institutions for the purpose of earning any degree.

Asamnew Girma

Name

Signature

St. Mary's University, Addis Ababa

December, 2018

Endorsement

This thesis has been submitted to St. Mary's university, school of Graduate studies for Examination with my approval as a university advisor.

Goitom Abraham (Asst. Prof.)

Advisor

St. Mary's University, Addis Ababa

Signature

December, 2018