

Employees' Turnover Intention in Public Service Bureau in Ethiopia: The Case of Dire Dawa Administration

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Abstract

Purpose –The purpose of this paper is to find the employee turnover intention with Compensation, Work environment and Supervision.**Design/methodology/approach** – All permanent employees are included as a target population from purposively selected Dire Dawa Administration public service bureaus. The collected data were processed and analyzed through descriptive analysis, and to see the relationship among variables, correlation and regression analysis was employed with the help of Statistical Package for Social Sciences (SPSS) version 20.**Findings** – Organizational Compensation, Work environment and supervision were negatively associated with the employee's turnover intention in three government bureaus of Dire Dawa Administration: trade, Industry and Investment bureau, Land Development bureau, and Administration City Manager Office.

Keywords: turnover intension, Compensation, Work environment and Supervision.

Introduction

The term “turnover” is defined by Price (1977) as “The ratio of the employees of organization who left in a particular period of time with the average number of employees in that organization during the same period of time.” While Currivan (1999), said turnover is a behavior which describes the process of leaving or replacing employees in an organization. Employee turnover intension is both the behavior and practice of employees to change their current organization to another organization. According to Tracey and Hinkin, 2008 said that employee turnover practice forces the company to replace them with new employees at an additional cost. employee turnover can cost a company substantial amount of capital when considering downtime, recruiting, interviewing, orientation, training, and ramp-up time (Porter (2011) . Additionally they infer employee turnover is a great loss for the company, given the fact that it has spent a lot of resources to perfect the skills of these employees, only to have them leave the company and render their services to competitors.

Now a day Employee Turnover intention is a serious problem in the organization achieve goals. Because employee will be intention to leave the organizations not use effective time, resources.

By taking in to consideration the above problems of employee turnover intension of current organization, these selected bureaus are not free of such employee turnover intension problem. Consequently, The current study shows the effects of these three variables on turnover intention; Compensation, Work environment and Supervision in Trade, Industry and Investment, Land Development and Urban Development Bureaus in public service sector of Dire Dawa Administration.

Objectives

The objectives of this study were:

1. To study the relationship between compensation and Employee turnover intentions.
2. To examine the relationship between supervision and Employee turnover intentions.
3. To investigate the relationship between work environment and Employee turnover intentions.

Literature Review

Definition of Employee Turnover and turnover intention

In view of the fact that employee turnover has become the most widely studied phenomenon in organizational behavior research .For example ,According to , Rion (2009:8) and Beam (2009) had defined

employee turnover as a ratio comparison of the number of employees an organization must replace in a given time period to the average number of total employees. The company employees by different reason not satisfied her or his leave and inter other organization.

Turnover Intention:

Turnover intention is defined as the intention of workers to leave their job. Employees intention to leave not thinking stay organization not well work Environment, benefits and good leader this effect organization is not achieve anything .therefore employee turnover intention is highly relationship with work environment ,benefits and supervisor. Employees Intention to turnover may affect organization in achieving its objectives, which in turn lead to a reduction in the overall level of innovation, quality of customer service and a negative psychological effect on the employees that remain in the organization(Ayinde and Adegoroye, 2012). Turnover intention seems to be reasonable prediction for actual turnover (Cho and Lewis, 2012).

As turnover intention to quite be an individual desire or willingness to leave employer organization, turnover intention has been found to be one of the major determinants of turnover behavior (Malik, Danish & Munir, 2011). But the determinants of turnover intention is different variables such as, compensation, Supervisor, not well working condition E.t.c

When the employees are not satisfied with their job and organization do have not trust or belief in their employees the employee’s intention towards turn over will be greater, they will leave the organization and the duration of their job will be smaller (Jeffrey, 2007)

Most of the time employees always look for companies who offer more compensation, benefits and work conditions. For example, Compensation and benefits plays an important role to employees retaining or minimizing intention to leave. This is the most influence of employee intention to leave.

Employee compensation and benefits includes all form of pay, rewards, bonuses, commissions, leaves, recognition programs, and medical insurance (Sherman et al., 1998). According to, Allen, et al. (2003) said that human resource practices that increase the availability of fair rewards lower employee turnover intentions.

Besides, compensation and lack of challenge and opportunity were the most common factors in contemplating leaving the organization (Ramlall, 2003 and Rampur, 2009).

In addition to the above factors affecting employees’ turnover intention and it is true leave the organization. According to W. W. Guyo, R. Gakure, B. Mwangi (2011), said that working environment of the organization should be favorable to employees and the organization working environment was not favorable to most of the employees it contributed to employee turnover the organization because unfavorable working environment employees do not want to stay long period of time; due to this, some employees jump from company to company because they prefer a working environment that is suitable for them. The organization should be fulfilled important resource such as, Furniture, water, light, transport service, clean working room, security, health, internet facility. According to Handelsman (2009) shows that if working conditions are substandard or the workplace lacks important facilities, such as proper lighting, furniture, clean restrooms, and other health and safety provisions, employees won't be willing to put up with the inconvenience for long. Likewise, if an employee finds an appropriate work environment which is suitable for them in a specific company, they may work in that organization for several years.

Hypothesis and research model

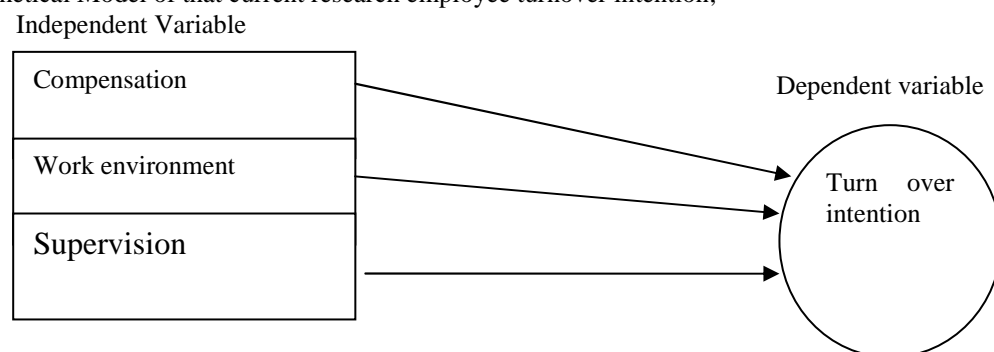
On the basis of above literature review, the current study tests the following hypothesis:

H1: There is a significant negative relationship between compensation and Employee turnover intentions.

H2: There is a significant negative relationship between supervision and Employee turnover intentions.

H3: There is a significant negative relationship between work environment and employment turnover.

Figure 1: Hypothetical Model of that current research employee turnover intention;



Research Methodology

This paper used descriptive research type. Descriptive research can be explained as describing something, some phenomenon or any specific situation. Descriptive surveys are surveys that describe the current situation, rather than interpretation and decision making (Creswell, 1994). The main goal of the research is descriptive verification of developed cases reflect the current situation. This type of research provides information on the current situation.

Research Respondents

A total of 311 permanent employees are found in three government organizations in Dire Dawa Administration namely, trade, Industry and Investment bureau, Land Development bureau, and Administration City Manager Office were target population of the research.

Sample/Data

In order to collect the data for understanding the situation about turnover intention samples of 311 respondents were asked to participate in a self-administered questionnaire out of which 286 questionnaires were filled and returned back, while 25 of the respondents did not respond. This was done using a five point Likert scale (Strongly agree to strongly disagree) to estimate the ranking catalog on each of the signal established to impact the overall Employee turnover intention. The population for the current research is employees working in Dire Dawa town city.

Data collection instrument

The survey contains two sections. Section 1 includes different personal and Demographic variables about the respondent's Sex, Age, Marital Status, level of educational and Experience. Section 2 includes the main variables of Compensation, Work environment, and Supervision towards intention to leave.

Results and Data analysis

The data collected through the Questionnaire was first coded in SPSS, and then analyzed by applying correlation and then Regression. Correlation and regression was used to find the extent of relationships among the dependent and independent variables.

Reliability Analysis:

Over all Cronbach's alpha of Employee turnover intention questionnaire variable items are more than acceptable and recommended value 0.50 by Nominally (1970) and 0.60 by Moss et al. (1998). This shows that 31 item were reliable and valid to measure the opinions of employees. The figures of Cronbach Alpha above 0.50 are acceptable. The reliability measure was established through, both for consistency and stability.

It is computed in terms of inter correlation among the items being measured.

Table 1 Reliability Statistics for Study Constructs

Variables	Item	Crombach Alph
Compensation	8	0.754
Work Environment	5	0.7
Supervisor	11	0.780
Turnover intension	7	0.816

The above table 1 shows the reliability values of the variables. The reliability analysis is conducted to observe whether the items of the respective variable are actually measuring the variable or do not measure it reliably or in other words how much reliance can be placed on the data. The variable Compensation measures eight items. As the reliability value is 0.754, it indicates that the 3 items are measuring the variable reliably, as the valve is within the accepted limits of 0.7 the variable Work Environment measured five items and the reliability valve is 0.7, which is within the acceptable range and is as such reliable. Supervisor was measured with 11 items and the reliability 0.782 which is acceptable. The turn over intentions dependent variable was measured with seven items and the reliability turns out to be 0.846 which is considered.

Demographic and Personal data such as, sex, age, Marital Status, level of educational level and experience given in the following table.

Table 2: Profile of the respondent

Variables	Category	Frequency	Percentages
Sex	Male	167	58.4
	female	119	41.6
	Total	286	100.0
Age of the respondents	18-25	58	20.3
	26-35	122	42.7
	36-46	58	20.3
	Above 46	48	16.8
	Total	286	100.0
marital status	Married	170	59.4
	single	116	40.6
	Total	286	100.0
Level of education	11-12 grade	23	8.0
	Certificate	26	9.1
	Degree	179	62.6
	Masters	57	19.9
	Doctors	1	0.3
	Total	286	100.0
Respondents experience with their organization	1-3 years	130	45.5
	4-7 years	78	27.3
	8-11 years	37	12.9
	Above 12 years	41	14.3
	Total	286	100.0

In the above Table 2, show that the descriptive statistics of the respondent's demography characteristics. Out of the total number of respondents, 167 (58.4%) are male whereas, 119 (41.6%) are female. This implies that the majority employee's respondent is male.

Regarding the age of the respondents 58(20.3%) of the respondents fall between 18-25years, 122(42.7%) are between 26-35 years, and 58(20.3%) are between 36-46 and the rest 48(16.8%) are above 46 years. This clearly shows that the organization is intention to leave matured, energetic and experienced employees. This will certainly have serious impacts in the overall performances and growth of the organization.

As the frequency and percentage of the respondents shows the respondents working experience indicate around 130 (45.5%) have a working experience of 1 to 3 years on the current job whereas 78 (27.3%) which have an experience between 4-5 years, 41 (14.3%) were in the range of 12 years and above, and lastly 37 (12.9%) have a working experience of 8-11 years. From the table we can understand that most of the three organization employees 1-3 years and most of the employee have good experience for job the company's.

This shows that most of the employees leaving to intention the organization are those who are senior and experienced.

Relating As the frequency and percentage of the respondents shows, 170 (59.4%) respondents are married and 116(40.6%) are single.

This reflects that the employees who have family responsibility have the tendency of intention leaving to organization and may be seeking for better income that enables them to fulfill the needs of their dependents.

More than half of the total number of respondents 179 (62.6%) are degree holders, master holders accounts 57(19.9%).

Hypothesis testing result:

Table 3: The correlation between the independent variables with turnover intension (Dependent)

	Compensation	Supervision	Work Environment	Turnover intension
Pearson Correlation	-.408**	-.412**	-.302**	1
Turnover intension Sig. (2-tailed)	.000	.000	.000	
N	286	286	286	286

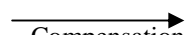
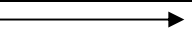
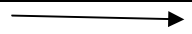
** . Correlation is significant at the 0.01 level (2-tailed).

Note. N=286. All correlations were significant at the $p < .001$ level.

As indicated on above table 3, the finding showed there is a relationship between Compensation and employee turnover intention at ($r = -.408$) therefore, the hypothesis H1a was accepted. Their relationship is negative means when Compensation is clear and described/as good as expected/ turnover intention will decreased. Work environment was another variable, and the result was found to be significant relationship with employee turnover intention ($r = -.302$) and hypothesis Ha2 accepted. If Work environment are sample the turnover intension increased as well.

Supervision was found statistically significant at ($r = -.412$). Correlation coefficient is significant at the 0.01 level. Supervision correlated negatively, satisfied employee has less intension to quit and the vice versa. The hypothesis Ha3 was also accepted.

Table 4: Regression Results;

Hypothesis	Model Variable	Estimate	P	Results
H1	 Compensation Turnover intension	-.310	0.000	Supported
H2	 Supervision Turnover intension	-.252	0.000	Supported
H3	 work environment Turnover intension	-.047	0.518	Supported

As indicated on above table 5, the variable workplace environment has a significant negative relationship with ($\beta = 0.047$) and ($p < 0.518$). That means workplace environment contribute more than 0. 47% to job employee turnover intention.

The regression results of this study confirm the significant negative relationship between Supervision and employee turnover intention with ($\beta = 0.252$) and ($p < 0.000$) that means Supervision contributes more than 25% to job employee turnover intention.

The regression results of this study confirm the significant negative relationship between Compensation and employee turnover intention with ($\beta = 0.310$) and ($p < 0.000$) that means Compensation contributes more than 31% to job employee turnover intention.

The regression results of this study confirm the significant positive relationship between job performance and employee turnover intention with ($\beta = 0.456$) and ($p < 0.004$) that means job performance contributes more than 46% to job employee turnover intention.

Conclusion

The objective of our research was to find out the effect of independent variables on the dependent variable. The finding shows that there is a negative correlation between independent variables (compensation, work environment and supervision) and dependent variable (turnover intension) at different significant level. This result consequently illustrates that the independent variables negatively intent the permanent employees to leave their job. Therefore, the organization should address the employees' needs and interests as immediate as possible in order to minimize their turnover intension.

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