

**CAUSE AND CONSEQUENCE OF EMPLOYEE
TURNOVER (IN CASE OF ATAT E HOSPITAL)**

**A research paper Submitted to Department of Management in
Partial Fulfillment of (BA) Degree in Management**

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December 2020

WOLKITE, ETHIOPIA

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Acknowledgement

First I would like to almighty God for his throughout my academic life and my everything. Next I would like to express my gratitude to my Advisor Ass prof Alemu Tereda for his patience in correcting my work starting from the proposal to final research and friendly treatments, suggestions and follow up throughout the activities of this research paper.I would like to express my heart gratitude to my family.and my brother Mengestu Guade for his financial and moral supported.

Abstract

The main objective of this study is to assess the cause and consequence of employee turnover in Atate hospital. To meet its objective the researcher use descriptive type of research design. The researcher use simple random sampling techniques for the sake of giving equal chance of being selected and because of large number of the employee the researcher is use 64 employees as a sample from 180 employees. The researcher use primary data which are collected using questionnaire from employee of the hospital. After the necessary data were collected the researcher is use both quantitative and qualitative methods to analyze data and present these data using table because of its simple to understand and appropriate for comparison. The main cause of employee turnover at Atate Hospital, are:- weather condition, lack of good governance, working condition, salary scale, work load advance and promotion if so the management of the organization should give attention for cause stated above to exist employees with their accumulated knowledge, skill and experience to improve qualities of service in the organization.

CHAPTER ONE

1 INTRODUCTION

1.1 Background of the study

Every organization whether it is profitable or non-profitable are established to accomplish certain goals. In order to achieve these goals and also to run the overall function of the organization effectively, they need to have resource like money, material and human resource. Human resource believes to be the most vital of all resources. Therefore it is the human resource which should be strongly developed to get the best out of the rest. Most senior executives say that “people are the most important asset in the organization. “But, they are also challenging because human beings by their nature give greater attention for their demand other than that of the organization they are in. As it is hard to find the appropriate work force for the organization, it is hard to satisfy enough and to retain them. Because of many reasons, failing to retain employees creates employee turnover. “Employee turnover is the movement of people in to and out of the firm.” (Graham, 1978)

Employee turnover is the relation of workers around the labor markets, between firms, jobs and occupations, and between the stats of employment and unemployment (Abassi, 2000). Employee turnover: is the number of permanent employees leaving the company within the reported period versus the number of actual active permanent employees on the last day of the previous reported period (www. Management. About com.).

The reason so much attention has been paid to the topic of turnover has some significant effects on organization. Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Johnson, 2000)

Turnover has many hidden or invisible costs and those invisible costs are result of incoming employees, co-workers closely associate with incoming employees, co-workers

closely associated with department employees and position being filled while vacant and all these affect the profitability of the organizations, on the other hand turnover effects on customer service and satisfactions. Turn over includes other costs, such as lost productivity, lost sales and management's time (Jonson, 2000).

Research estimates indicate that hiring and training a replacement worker for a lost employee cost a proximately 50 percent of the workers annual salary (Johnson, 2000) But the costs do not stop there. Each time an employee leaves the firm, it presumes that productivity drops due to the learning curve involved in understanding the job and the organization. Furthermore, the loss of intellectual capital adds to these costs. Since not only do organizations lose the human capital and relation capital of the department employees, but also competitors is potentially gaining these assets (Johnson, 2000)

1.2 Statement of the problem

Turnover is the net result of the exit of some employees and the entrance of others. Turnover can be quite too costly to an employer. One estimate is that it costs American Industry 11 billion dollar a year. Those costs to an employer includes costs for social security and unemployment compensation, terminal vocations, severance pay, underutilized costs for facilitates until the replacement is hired , advertisement and other expenses, administration cost of notification and payroll changes. There is also productivity loss until the new employee reaches the performance level of the one who left the job (Ivancevich, 1998).

Employee turnover is again a serious problem of many organizations in the world. It is the headache of many private and governmental organizations in Ethiopia. Turnover is the biggest cost of employers and owners of many organizations to replace the exit employee. Human resource manager faced high problem in today's working environment.

An excessive employee turnover is undesirable and very expressive (Edwing, 1984).The willingness of employee to leave one organization of another creates a special challenge for human resource implement (William and Paus, 1989). According to (K. Aswathappa, 1997) separation are painful to both the parties and should therefore be administered

carefully The effect of turnover would be interspatial of operation including loss of sales, operation under capacity etc. in addition the company loses the advantage of expertise know how & psychological damages on remaining employee will happen and in turn has negative effect on workers performance. It is proven that employee turnover is one of the most costly and seemingly intractable turn a resource challenges contracting organization analysis of the costs associated with turnover yield surprisingly.

Employee of Atate hospital may also look the environment that will satisfy their needs, most researcher work on factor contributing to employees turn over but the researcher in this paper focus on cause and consequences of employee turnover in Atati hospital.

The researcher tried to answer the following research objectives

1. What are the factors cause employees to leave the hospital?
2. How turnover affect the moral of the employees who are skill working in the Atate hospital?
3. What are consequences of turnover in the hospital?

1.3 Objective of the study

1.3.1 General objective

The main objective of this study was to assess the cause and consequence of employee turnover

1.3.2 Specific objectives

- A. To assess cause that derives employees to leave the hospital.
- B. To assess the actual consequences that turnover results in existing employee of Atate hospital.
- C. To identify the consequence of turnover in the hospital.
- D. To point out the method that Atate hospital use to reduce turn over.

1.4 Significance of the study

This study will have the following significance

- ⇒ It will give sufficient understanding about turnover and its consequence to employees. Policy maker, management and hospital.
- ⇒ As a student it's a good opportunity to develop the experience of conducting a research and will have significance to full filling an academic requirement for degree in management program.
- ⇒ It wills possible solution that helps the management to reduce turnover.

1.5 Scope of the study

The scope of the study was limited to cause and consequence of employee's turnover and geographically limited to Atate hospital. This study particularly focuses on the current employee for accomplishment of the study.

1.6 Limitation of the study

The study will suffer the following limitation like, lack of voluntary person during data collection, some respondents did not return on time, lack of resources like reference; time Carelessness of respondents to fill the questionnaires, absence of some employees during collection of questionnaires and some technical procedures.

1.7 Organization of the study

This paper is organized in five chapter, The first chapter deals about introduction that include, Background of the study, Statement of the problem, Objective of the study, Significance of the study and Scope and Limitation of the study. The second chapter contains review of literature. Chapter three emphasize on methodology of the research. Chapter four contains analyze and presentation of data. The last Chapter deals with conclusion and recommendation of the study.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Definition of turnover

Employee turnover is the relation of workers around the labor markets: between firm. Jobs and occupations: and between the states of employment and unemployment (Abassi, 2000)

Employee turnover is defined as “the loss of employees by the organization it represents those employee was depart for a variety of reason” (William and Davis, 1985)

Employee turnover is a termination of employment during the calendar month and its classified according to causes, lay-off, discharged and other (Peter de, 1965)

Turnover refers to "the movement in to and out of an organization by the work force" (Edwin, p. 1984) as Ivanceich (1987) it is described as "exit of and entrance of employee to the organization." This movement is an index of the stability of that force. "An excessive movement is undesirable and expensive when an employee leave firm. Such costs are incurred (Edwin, 1984).

In the words of K.A Aswathappa employee turnover is stated as "the process of employees leaving an organization and requiring to be replaced" (1997).

2.2 Types of employee turnover

Labor turnover have two types those relating to job shifting as such as and relating to total job separation, sometimes with details of voluntary and involuntary cessation of employee (Peter Dewolff. P, 1965).

2.2.1 Voluntary turnover

It is a termination of job by the employee himself. Employee leave their job voluntarily when their needs are not being satisfied at their present place of work and an alternative job becomes available which the employee believe will satisfy more of their needs (Ivancevich. p, 1989).

“Voluntary resignations are reduced by a satisfying work environment, high quality supervision and personal opportunity for growth.” (William and Davis, 1985).

2.2.2. Involuntary turnover

It is initiated by the employer through such actions as layoff and dismissals. The reasons for dismissals include incompetence: inability to get along with coworker; dishonesty or; negative attitude, lack of motivation; and failure of refusal to follow instructions (Werther, 1997).

2.3. Causes of employee turnover

There are different forms employee turnover which causes to leaves the organization with defined on by one as follows:-

2.3.1. Low compensation

Compensation is what employees receive exchange for their work (William and Davis, 1985)

Low compensation: - is the primary and the only sources of income for employees and their family and also important to determine status in social system (magginson, 1981)

Lack of sufficient compensation has a very significant effect on employee life standard leading to looking for Neal job. “As far as the organizational compensation is concerned employee compensation are designed and do three things according to (Edwin, p, 1984)

1. To attract capable employee to the organization
2. To motivate them towards super performance and
3. To retain their services over an extended period of time.

Compensation should be with enough to motivate and retain qualified workers and optimal to ensure enough margin to the employer. “Now a day the number of rewards offered by organization ranks into hundreds. It is widely accepted principles that these rewards schemes or compensations policies have to be adequate, equitable, and cost effective, secured incentive providing and acceptable to employee” (Invoanceich and Cleuck, p.1989).

It is headily accepted principle that compensation policies should be to pay wages high enough to motivate and retain qualified employees and at some time, low enough to in some adequate profit to the organization.

An organization compensation policy must meticulously designed and must also be properly managed if it is mismanaged its effects are far reaching. Accordingly, it may result in high turnover, increased absenteeism more grievances, search for higher paying jobs, job dissatisfaction poor productivity and co fulfilled strategic plans” (Werner and Davis, p, 1985).

Employee compensation has two forms

A. Direct compensation: which refers to wages and salary.

B. indirect compensation: which includes life insurance, health insurance, vacation, paid holiday, pension and may also classified as intrinsic versus extrinsic, financial versus nonfinancial.

“The objective of attracting capable employee to the organization is to be achieved: personnel must perceive that the compensation offered is fair and equitable. Equity is concerned with felt justice according to natural law or right” (Edwin, p, 1984).

2.3.2. In adequate salary

The process of wage determination is one of the most significant recruitment, the retention, satisfaction and motivation of employees and on survival of the organizational (French, 1997).

One of the most difficult functions of personnel management is that of determining rate of monetary compensation not only it is one of the most complex duties but it is also one of the most significant to both the organization and the employee. “In establishing salary for a job (Work) there are money factors that need to be considered.

Significant factors affecting salary determination are supply and demand for employee skill, labor organization, the firm’s ability to pay productivity of the firm and the economy, cost of living and government (Edwin, p, 1984).

2.3.3. Luck of benefit

The provisions of indirect compensation to employee in the form of health insurance, life insurance, pension plans, Payment for time not worked and social welfare (Heneman, 1998). Benefit has an effect whether applicants accept their employment offer or whether they continue in the theory of organization. The absence of adequate benefit and services contributes to employee dissatisfaction, increased absenteeism and turnover.

2.3.4. Resignation

Resignation is defined as termination caused by employee themselves (Daver, 1999) it is also defined as an instance where in management agrees that the employee has the physical opportunity to continue employment with the organization. Resignation can be unavoidable, avoidable and dysfunctional

Unavoidable resignation:-Are caused due to marriage, return to school and other personal factors most theories of turnover maintains threat to employee leave their job voluntary when their needs are not being satisfied at their present place of work and an alternative job becomes available which they believe will satisfy more of their needs (Invanchein, 1989).

Avoidable resignation:-Is something organization can take certain steps to prevent it. Is a kind of turnover attributed to problems with compensation, promotion, advancement opportunity, supervisory relations and job challenge (Hogan, 1992).

2.3.5. Unbalance workload

It can be seen that employees of an organization with similar job assignment and position will carry out the job differently. One individual may be very busy in terms of work volume and he may work beyond his paid time. In such a situation employees start to stress and may look for other alternatives. Often when an employee is required to leave the company, this is the practice that the individual is asked to perform so many jobs. Besides his work is deemed to be below standard or what is expected from him and his position. Following here with the presented model developed by William and Davis for low pay and its consequences

2.3.6. Working procedures

The organizations should analysis and alter their working procedure and polices in a way which would enable employee to use their full potential and even gain significant work experience.

There are many cases where employees have left organization due to not project or assignment with do not require their full potential employees would certainly leave it there do not get experience and are just placed on bench

(<http://www.Buzte.com/articles/causes of employee turnover htm/>)2.3.7)

2.3.7 Lay off

Lay off can be temporary or permanent depending on variations in market demand or firms goes of business. “It is an involuntary turnover involving a temporary or indefinite removal from the payroll of people with skill.” (French, 1993).

According to some scholars “layoffs are separation of employee form the organization for economic reason. It may last only a few weeks it its purpose is to a just inventory level or to allow the factor to be tool for new product. When it was caused by a business cycle, the layoff may last many months or even years. However the layoff is the result of a restructuring or rescaling of an industry the temporary layoff may be permanent.” (William and Davis, p, 1985)

When companies are to make layoff as per the above definition there is no set formality of carry out the layoff.

According to (Edwin, 1984) “companies wish to take advantage of the layoff to retain its most able employee and let the more marginal ones go.”

There is a controversy among different scholars about layoff. Some agree on layoff is regulated through seniority systems while others advocate relate it with performance. Still others insist layoff to be on value and nature of performance.

Layoff can be reduced in some companies through

- Careful human resource planning

- Reduce work week or part time layoff etc...

According to the proponents of the seniority criteria of selection employee to be first layoff is those employee having the highest length of service and hence are loyal are retained even at the expense of performance (quality and quantity of work) while employees who are the last to join the organization are laid off despite the fact that they are good performance.

2.3.8. Dismissal of employee

“Perhaps the most stressful and distasteful method of separation is that of discharge. The employee is deemed to be fundamentally unsatisfactory in terms of performance and attitude.” (Edwin, p, 1984). In most cases dismissal sometimes called is charges of employees are related to discipline cases. In addition unsatisfactory performance of employee during their early time of employment is also another cause of discharge.

In the words of K.Aswhappa dismissal is explained as “where the termination of employment is initiated by the employee. It is known as dismissal /discharge, which is a drastic step and it should be taken after careful thought” (1997).

According to K. Aswhappa again the possible reasons for employee dismissal were:

- Excessive absenteeism
- Serious misconduct
- False statement of qualification at the time of employment
- Theft of employ’s property.

There is provision almost in all countries that prohibit discharge in causes related with

- Union activities
- Sex, religion, race and political positions.

Sometimes this type of deportation is very damaging unless it is handled with care. Discharged employees virtually disclose important information to those of competitors and others who has interest. In situation where the discharge is unfair labor union will take the case to third party for arbitration. Sometimes dismissal is better for both the worker and the company. This gives the employee a chance to seek new job where his or her abilities and temperament may be more appropriate.

“Discharge relates to an involuntary separation of employee from payroll for inadequate performance or for violation of company rules. “(French, 1987)”

The possible reason for employees unsatisfactory may include technological changes, changes in the organization structure affecting employee’s job. Organization factors

Organizational instability has been shown to have high degree of turnover. Indications are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organization where there was a high level of inefficiency there was also a high level staff turnover (Zuber, 2001). Therefore in situations where organizations are not stable employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement.

2.3.9. RETIREMENT AND DEATH

The effectiveness and efficiency of employee will become lesser when one age becomes order and order. Hence an organization has a major responsibility in facilitating the transition from one stage to other. Retirement is both voluntary and forced separation of employee. One of the key issues of modern times is whether the decision there tire should be made by the organization or be left to the employee concerned. Retirement is said to be voluntary when employee is willing to retire before his mandatory age of retirement and involuntary when the employee is forced to terminate mandatory age

Equally and importantly death has also its own contribution for employee termination from an organization.

In general there are some factory contributions to employee turnover.

- The economy in exist interview one of the most common reason.
- The performance of one organization perceived to being economic difficulty will also raise the space for impending lay off workers; believe that is relational to seek other employment.
- The organization culture means that the reward system, the strength of leadership. The ability of the organization to elicit a sense of commitment on the part of workers, and its development of sense of shared goals among other factor.

- The characteristic of job some jobs are intrinsically more attractive than other job. Job attractiveness will be affected danger, perceived, importance and capacity to elicit a sense of accomplishment.
- Demographic:- turnovers also associated in particular situation with demographic and biographical character, is tic of works
- The person: - addict the toe above factors there are also factors in family situation. A desire to learn a new skill or trade or unsolicited job after. Trait based: - these traits are some of the productivity behavior such as *loading absenteeism theft substance on the job and surrogate of employer's equipment or production (Bernsten, A, and etal, 1998:*

2.4. Effects of employee turnover

The impact of turnover has received considerable attention by senior management, human resource professional and industrial physiologists. It has proven to be one of the most costly and seemingly intractable human resource colleges confronting organization. Monetary and ridden cost associated with employee leave you are also a concern when an employee leave your business, it is cost for your factory in (Bernsten and etal, 1998).

Productivity: - when the employee leaves the organization productivity will usually take and down turn because other workers may have to add the former employee's duties to their work load, at least temporary.

Money: - in addition to the costs associated from your owner productivity you may have to pay employee over time to get them to take up the stack left by the former empl9yee until a replacement can be found.

Time: - not only many you may also distracted from your reflowing duties to cover for a former employee, you will have to spend time and money on advertising interviewing and hiring are placement employee and do not forget the time that you spent on training and hiring a replacement employee one you find and here a new employee, you will still experience hanging productivity while the employee warns his /her new job. In other words, it costs your business. Business money every time on employee leaves, because it takes even more resource to return to the some level productivity or level of performance

that you had before (Moretic) Campion M.A, 1998, p: 25 C,1 cooper and I.T Robinson (EOS) international review of industrial and organizational psychology.

“Movement of employee is an index of the stability of that force. An excessive movement is undesirable and very expensive.” (Edwin, 1984)

“The willingness of employee to leave one organization for another creates special challenges for human resource development.” (William and Pavis, 1989).

According to K. Aswathappa “separations are painful to both parties and should therefore be administered carefully” (1997).

2.5. Cost of employee turnover

“Turnover costs include cost for social security and unemployment compensation, terminal vocation, underutilized facilities until the replacement is hired, employment costs such as recruitment expenses, interview time, test costs computer record cost and covering expenses, administration costs of notification and payroll changes, and losses of productivity until the new employee reaches the performance level of the one who left the job.” (Invoncvichand Glueck, p. 1989). High labor turnover can be expensive, although the actual costs are difficult to estimate. To gate some indications Organizations can start by adding the most obvious expenses like advertising, recruitment and administrative costs together with cost associated with management and supervisory time, underutilized facility costs fill replacement is done, interview time, test cost & etc. total cost could be very large and it can well convince the management to make them pay at tension on the issue increased expenditure on recruitment and training represent only a small proportion of the total cost of labor turnover.

High turnover may result in:

- Unnecessarily high staffing levels and overtime payments
- Lost or delayed production
- Interruption to the flow of work
- Increased production costs, scrap levels and risk of accidents to in experienced works

- Long-term workers becoming unsettled and leaving
- Low morale and resulting low productivity
- Damage to the organizations local regulation.

The cost of employee turnover depends on whether manager intends to eliminate the positional to replace the departed employee; by elimination position the company can reduce cost in the long run and some cost involved in replaying an employee (Gomez, 1995). The cost of employee turnover can be categorized into two categories which are direct and indirect cost.

2.5.1. Direct cost of employee turnover

Direct costs related with turnover are defined as “those costs incurred in the employment function and easily identifiable and typically directly associated with the recruitment effort.” (Hall, 1981).

Costs of employment fall under this category are advertising agency and search fees. Internal referral, applicant expenses, relocation, expenses, employment staff compensation, recruiters expresses.

2.5.2. Indirect cost of turnover

According to Hall “Costs fall under this category are management time, lead employee’s time training and less of learning curve advantage (Hall, 1981). These costs are most pertinent costs to turnover.

To being with cost of management time pertains to the estimated cost of management time spent orienting new employees. Cost of lead employee’s time on the other hand, it refers to the estimated cost of time spent by lead employees in orienting and training new hires.

The loss of learning curve advantage labor productivity losses are to part of the undetermined costs of new employees. Accusingly, it is a well-known fact that few employees are not so productive when they are new.

To the above list of indirect costs other analysis added other cost such as disturbance of performance, disturbance of social and communication patterns. Decline in morale and

strategic opportunity costs, there the cost of postponing or canceling potential profitable ventures.

The effect of employee termination on remaining employee of the organization may also warrant consideration since the departure of their co-workers and colleagues may lower their moral or create negative attitudes in them. Particularly when these who depart are valued for tasks related or interpersonal reasons.

2.6. Benefit of employee turnover

Although many people see turnover negatively, they have several benefit when turnover rates are too low, few new employees has be hired and opportunities for promotion are sharply curtailed. A persistently low truck over rate may have a negative effect on performance if the work force becomes complacent and fails to generate innovative ideas. A certain level of employee turnover is good and necessary part of doing business, and the benefits of employee turnover to the organization include the following. Labor cost are reduced poor performance are replaced. Innovation is increased and opportunity for greater diversity is enhanced, employs may receive some potential benefits from turnover too. An individual may escape from an unpleasant work situation and eventual find one satisfaction (Encyclopedia of Business, (2011)2nd edition)

Some benefits of employee turnover are explained below.

2.6.1. Reduced labor costs

An organization can reduce its total labor costs by reducing the size of its work force. Although turnover costs in layoff can be considerable, the salary saving resulting from the elevation of some jobs can easily outweigh the turnover pay and other expenditures associated with the layoff.

2.6.2. Replacement of poor performer

An integral part of management is identifying poor performances and helping them improve their performance it can employees does not respond to coaching or feedback, it may be best to terminating him or her so that a new employees can be brought in the

separation of poor performance created opportunities to hire employee for high performing in their place.

2.6.3. Increased innovation

Turnover creates opportunity to hire employees for performing individual. They also open up entry level positions as employees are promoted from within an important source of innovation in companies is new people hired from the outside who can offer a fresh perspective such individuals may be entry level college graduates armed or engineer hired from leading research education.

2.6.4. The opportunity for greater diversity

Turnover creates opportunity to hire employees from diverse backgrounds and to redistribute the cultural and gender compensation of the work force. Increasing its work force diversity allows an organization to take advantage of adverse work force (Gomez, Meji W: R, 1995).

2.7. Six strategies for reducing employee turnover

Employee turnover is costly and disruptive to any organization while no business can realistically expect to zero employee attribution, there are strategies that your company can implement to retain the best employees and reduce the livelihood of your employees joining the proverbial revolving door.

2.7.1. Hire right strategy

Much like a divorce the best time to avoid turnover is before engagement. Use an employee survey designed to help accurately identify skill gaps and workloads, and implement your recruitment plans. Accordingly some of the components of hiring right include

- Behavior based testing
- Competency screening
- Background checking
- Organizational fit
- Capacity for learning

- Motivation
- Future goals

You need to discover whether the employee has the right skills, competency, and character are they are good fit for your organization and culture? Do they have a sufficient degree of motivating do they have a capacity to keep learning in the role? What are this long term career goals?

2.7.2. Design the best compensation package strategy

Tailor compensation packages individually where possible (especially for line manager and executive positions, and review at least annually, keep up to date with market salary rates or make sure the human resource department is up to speed. Not surprising there is a clear relationship between benefits and turnover rates.

Ensure that you provide standard industry benefit, such as disability insurance, feasible hours, or life insurance where appropriate always be open to negotiation with valuable employee and tie pay to performance.

2.7.3. Effective communication and moral strategy

As the owner or manager, you set the tone for employee morale. Don't set up repetitive meetings unless they are truly productive and you are open to suggestions from your employees for maximum employee engage ensure that communication is not a one way cycle in your company more an effect to listen to feed back through an employee satisfaction survey and be ready to act on the feedback you receive. Employee engagement can be a long term goals and not necessary achieved overnight.

2.7.4. Charge development and training

Provide plenty of training opportunities to keep employees interested and in line with professional envelopment standards in the market. Allow for multiple roles or allocate different tasks to encourage variety and motivation. Set goals for employees or involve them by setting down. With them & asking them about their future aspirations within the organization. Base promotions on your employee's performance and cultivate a perception of fairness in career progression. If there are apple opportunities for growth &

career progression in your organization and you have demonstrated to employees that they have long term projective, then your employees will be more likely to stay on.

2.7.5. Provide a great environment strategy

Provide an attractive, healthy and safe work environment for your employees. Make sure furniture and equipment observe occupational health and safety requirements and set up amenities and rest spaces where employees can take time out. Make your office a pleasant place to be.

2.7.6. Culture and respect strategy

Looking beyond the physical work environment to less tangible factors such as organizational culture, managers and owners should cultivate a culture of respect, team work, and mutual collaboration. Encouraging healthy competition between employees may help with moral and motivation. However, this should not be done at the expense of a supportive organizational culture. Line managers should be trained to value and encourage culture and respect fullness (Blog. Coigroup com/ .../strategies reducing employee turn).

2.8. Empirical literature

Daniel Yosef (2007), conducted research on titled “analyzing cause of employee turnover” with specific objective such as:-.To identifies the cause of employee turnover in the hospital, to assess the system of reducing employee turnover, to assess the climate condition with in the hospital.

Based on the factors of the research he conducted, Daniel conclude that: analyzing cause of employee turnover in Atate hospital are periodically measure evaluate and review the hospital cause of employee turnover in the proper manner the cause of employee turnover in the hospital is lack of transportation service, lack of reward, no giving learning opportunity, climate condition and the like.

Above mentioned researcher conducted his study in Atate hospital on his specific objective. He tried to touch only the cause of employee turnover. But he didn't analyze the consequence of employee turnover. Therefore in this research the researcher is

motivated to fill the gap he left by conducting the study on analyzing the cause and consequence of employee turnover in case of Atate hospital.

Chilotaw (2008) conducted employee promotion, demotion practice in Gambi referral hospital. This researcher tried to assess the performance of employee in the hospital.

The above literatures differ from this study mainly:-

- Scope
- Level of depth, and
- Population in which the study concern on.

The researcher will like to advice the users of this study to refer the above research papers.

CHAPTER THREE

3. METHODOLOGY OF THE STUDY

3.1 Research design

The research was used descriptive study in order to assess cause and consequence of employee turnover. Because descriptive study concern with arranging summarizing and presenting numerical data in the form of table that the reader can understand easily. The researcher was used cross-sectional descriptive research design which involves only one contact with the study populations. It will conduct for the purpose of assessing the cause and consequence of employee turnover in Atate hospital.

3.2 Total Population, sample size and sampling techniques

Total population used for the total number of employees on which the research go to conduct this research. The total number of employee in Atate hospital currently is about 180. Because of large number of employee the research used Sample size calculation to get the necessary information about the research to be conducted, the sample size is determined as follow by using Tayro Yamane formula 1963

$$n = \frac{N}{1+N(e)^2}$$

Where

$$n=180/1+180(.1)^2$$

n=sample size

$$n=64$$

N=total population

e=margin of error

Therefore, the research was used 64 as a sample from the total population of 180. Current employees of entries with 90% confidence level and 10% of margin of error means that the researcher has 90% confidence that the findings of this study was used in the internal of 10% error from the true value of the population. To conduct this research, the research was used simple random sampling because each member of the population under study is

having equal chance of being selected. This technique involves selecting at random from all list of the population (sample frame) the required number of subjects for the sample.

3.3 Sources of Data and Data collection instrument

The research used both primary and secondary sources of data. The primary source was collect by distributing questionnaire to the employees of the hospital that includes both open ended question (this questionnaire from each respondent can gave a personal response or opinion in his or her own words) and closed ended question (that gave the respondent's answer selected from a number of predetermined alternatives). It is very convenient for collecting factual data and is usually easy to analysis. The secondary sources of data include books, internet and record files, there published and unpublished documents

3.4 Data Analysis and Presentation Methods

The research was used both quantitative and qualitative methods to analyze data. The research was used qualitative method to analyze the opinion and response of employees in the form of narration and quantitative method also use to analyze the data in the form of tabulation, percentage and frequency; this helps to understand and interpret easily. The method of presenting data the researcher was used is table because of its simple to understand and appropriate for comparison.

CHAPTER FOUR

4. Data analysis and interpretation

This chapter is developed to analyze the data gathered through questionnaires from employee of Atate Hospital with regard to cause and effect of employee turnover. Seventy eight questionnaires were distributed randomly to 64 employees of the hospital. The collected data are briefly analyzed and interpreted using table, bar graphs and percentages in the following section.

Table 1 personal profile\ of sample respondents by sex, age and education level

No	Item	Frequency	
		Respondent	Percentage (%)
1	Sex		
	Male	48	75%
	Female	16	25%
	Total	64	100%
2	Age		
	18-30	41	64%
	31-45	14	22%
	45 and above	9	15%
	Total	64	100%
3	Educational level		
	Certificate	12	19%
	Diploma	14	22%

	Degree	22	34%
	Second degree and Above	16	25%
	Total	64	100%

Sources; own survey, 2020

Based on the response obtained, as shown in table 1, item 1 shows that 48(75%) of the respondents were the male employee and 16(25%) of the respondents were female employees. This implies that most of the respondents are male employees

Regarding their age the respondent are categorized into 3 age group such as 41(64%) of the respondents lied in 18-30 years, 14(22%) of the respondents lied in 31-45 years and the rest 9(14%) of the respondents lied above 45 years. One can easily understand that the work force population is dominated by the age group between 18-30 years.

In the same table item 3 shows that 12(19%) of the respondents said that they had certificate, 14(22%) of the respondents said that they had diploma, 22(34%) of the respondent said that they had degree the rest of 16(25%) respondents said that they had second degree and above. This implies that the hospital holds more educated personnel's.

Table 2 about current work

No	Item	Frequency	
		Respondent	Percentage (%)
1	Are you happy in your current work?		
	Yes	24	38%
	No	40	62%
	Total	64	100%

Sources; own survey, 2020

As it was indicated from above table 2 item 1 , the table designed to show whether employees are happy there in current work or not and the reason for this, as shown in the table above item1,out

of total 64 respondents 24(38%) of them replied that they are happy in their current work. The remaining 40(62%) of the respondents responded that they are not happy in current work.

The reason for 40(62%) of the respondent not happy in their current work responded that they are too interested well organized (no favorable condition) management is not satisfactory; environment is not conducive, lack of good governance environmental they are not getting what they deserve in both financial and psychological. Form this one can understand that majority employee of the hospital are not satisfies in current work due to the reason stated above and the like.

Table 3 about employee turnover in the organization

No	Item	Respondents	
		Respondents	Percentage (%)
1	Is there employee's turnover in your organization?		
	Yes	48	75%
	No	16	25%
	Total	64	100%
2	If your answer in item 1, is YES what type of turnover		
	Voluntary	11	26%
	Involuntary	31	74%
	Total	42	100%

Sources: own survey, 2020

In the first item of table 3 above, 48(75%) respondents responded that there is employees turnover in their organization and 14 (25%) of the respondent also responded that there is no employees turnover in the hospital. Form above table one can easily understand there is high employee turnover in Atate Hospital.

The second item table above indicates that from total respondents of 42 in item 1, who say yes there is employee turnover in their organization, 11(26%) of the respondents responded that this turnover is voluntary turnover and 31(74%) of the respondents responded that it is involuntary.

Table 4 cause for employees to leave the organization

No	Item	Respondents	
		No	Percentage
1	What do you think the cause for employees to leave the organization?		
	Working condition procedures	21	33%
	Advance and promotion	6	9%
	Compensation	4	6%
	Salary scale	24	37.5
	Other	9	14
	Totals	64	100%

Sources; own survey, 2020

Table 4 indicates respondents view on the items related with cause for employee to leave the organization as shown the table above 21(33%) respondents responded that working condition procedures, 6(9%) respondents responded that advance and promotion, 4(6%) respondents responded that compensation, 24(37.5%) respondents responded that salary scale, and the remaining 9(14%) respondent respond that other factor like, work load, lack of good governance,

Table 5 effect of employee turnover on the organization operation

No	Item	Respondents	
		No	Percentage
1	Does employee turnover have effect on the organization?		
	Yes	58	92%
	No	6	8%
	Total	64	100%

Sources; own survey, 2020

As indicated in the above table 5 item 1, out of total 64 respondents, 58(91%) of the respondents responded that employee turnover has effect of on the organization, 6(9%) respondents responded employee turnover have no effect of on the organization from this one can easily understand that turnover have highly effect of on the organization. Majority of the respondents responded that turnover has negative effect of the organization if it is not managed properly negative effect like

Employees leave with their accumulated knowledge skill and experience

Work load on the existing staff

It affect qualities services provide from the hospital

Increases in costs for training, recruiting and selection of new employees

Some respondents responded that turnover has advantage (positive effect) when turnover rates are too low, few new employees has be hired and opportunities for promotion are sharply curtailed it creates advantage like

Replacement of poor performances

Reduced labor cost

Table 6 effect of employee turnover on existing and leave employee

No	Item	Respondents
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		No	Percentage
1	Does employee turnover have effect on existing and leave employee?		Elation is dominated by the age.Group between 18-30 years. In the same table item 3 s
	Yes	52	85%
	No	12	15%
	Total	64	100%

Sources; own survey, 2020

As we have seen from the table 6 above item 1, out of total 64 respondents, 52(81%) of the respondents responded that employee turnover have effect of on existing and leave employee, 12(19%) of the respondents responded employee turnover have no effect on existing and leave employee from this one can easily understand that turnover have highly effect the existing & leave employee.

The above table indicates that all the respondents 52(81%) agree that employee turnover have effect on the existing and leave employee and they justify the reason for both existing & leave employee. They put their reason the effect for leave employee reason like.

They may fail to get employment soon. Even if they get soon they may not get the job as they expect before if so the way of life may affected negatively and new environment by itself has some difficulty. They put their reason for effect of turnover for existing employee reason like:- work load on the existing staff

- Morale problem on existing employee
- Lack of satisfaction in security

Table 7 what should be done to reduce the cause of employee turnover

No	Item	Respondents	
		No	Percentage
1	What should the organization do to reduce cause of employee turnover?		
	Increasing compensation	9	14%
	Share of work load	21	33%
	Training	6	9%
	Other	28	44%
	Total	64	100%

Sources; own survey, 2020

As described on the above table 7 from the total number of respondents 9(14%) of the respondents responded that the organization should increase compensation to reduce employee turnover, 22(33%) of the respondents responded that share of work load is good way to reduce turnover over, 6(9%) of the respondents responded giving training is a way to reduce turnover and the rest 28(44%) of the respondents responded that there are other factor which the organization should give emphasis to reduce turnover and they try to rise what should be done like:-

Since the management have a great role for employee to leave the organization it is advisable the management to use good management approach

The organization should create strategies to reduce employee turnover strategy like – provide a great work environment since it provide an attractive, health, and safe work environment for the employees, effective communication and moral strategy and culture and respect strategy to reduce employee turnover, Generally as we have try to see from the organizational it is expected many thing to reduce turnover the organization.

Table 8 appraise condition of the organization

No	Item	Respondents	
		No	Percentage
	Appraise conditions of the organization		
	Conducive	15	23%
	Moderate	32	50%
	Bad	17	27%
	Total	64	100%

Sources: own survey, 2020

As described on the above table 8 from the total respondents about 32(50%) respondents responded that appraise conditions of hospital is moderate, 17(27%) responded that bad appraise condition and 15(23%) said conducive appraise condition. Generally, as conducted on the above the appraise condition of the organization are moderate in large.

Table 9 attitude towards their organization

No	Item	Respondents	
		No	Percentage
1	Attitude towards your organization		
	Very good	2	3%
	Good	37	58%
	Bad	25	39%
	Total	64	100%

Sources; own survey, 2020

As indicated on the above table, 9, 2(3%) respondents responded that they have very good attitude towards their organization, 37(58%) respondents responded that good attitude and the rest

25(39%) responded bad attitude towards their organization it may due to problem stated under cause of employee turnover, problem like lack of good governance in the organization, work load and like reason. Generally from the total number of respondents most at them have good attitude towards their organization.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

The study was designed to assess the cause and effect of employee turnover at Atate Hospital, so far the attempts have been made to present and analysis the data gathered from sample respondents of hospital employees. Based on the analysis and presentation the following summary, conclusion and recommendation obtains from the study.

5.1 SUMMARY

In consistent to the statement of the problem and basic questions and based on the data analysis the followings are summarized:

The researcher studies analyzing cause and consequence of employee turnover (in case of Atate hospital).

Regarding to the response from the total of 180 employees, the researcher distributed 64 questionnaires to the selected sample and all distributed questionnaires are returned.

Majority of the employee in Atate hospital was male.

Among the total employee's there were high at age 18-30 that the work force population is dominated by the age group between 18-30 years. Most employees were degree holders.

Most of the respondents not happy in their current work responded that they are too interested well organized (no favorable condition) management is not satisfactory.

Majority of the respondents responded that turnover has negative effect of the organization if it is not managed properly negative effect like: Employees leave with their accumulated knowledge skill and experience, Work load on the existing staff.

Generally from the total number of respondents most at them have good attitude towards their organization.

5.2 CONCLUSION

From the investigation made almost all of the respondents responded that there are employee turnover at Atate Hospital, and majority of these turnover are voluntary turnover. These indicate that there is high voluntary employee turnover at Atate Hospital.

The major factor, leading to higher employee turnover in an organization are: - work load, lack of good governance, working condition procedures, salary scale, advance and promotion.

All of the employee agree that employee turnover has effect of on the organization weather negatively or positively. Negatively affect like: - employee leave with their accumulated knowledge, skill and experience, work load on the existing staff, effect on qualifies of education, increases in costs for training, recruiting and selection of new employees and it may affect positively like: - reduced labor cost, opportunity for greater diversity replacement of poor performance.

Employee turnover has an effect on existing and leave employee effect like: - the leave employee may fail to get employment soon. Even if they gate soon they may not get the jobs as they expected before, new environment by itself has some difficulty. The existing employee may affect due to: - workload on the existing staff, morale problem and lack of satisfaction in security.

5.3 RECOMMENDATION

Based on the information gathered from primary and secondary data the Atate Hospital, are suggested to improve the performance of the organization.

From my study is that even though there is high employee turnover at Atate Hospital, the organization yet not give enough time and resources to these topic so Atate Hospital, should give a special consideration for these topic since employee turnover have effect on the organization as well as on the employee so it may better to conduct research in detail on this topic by using my study as a base or by using my study itself to reduce cause of employee turnover by working with employees.

The main cause of employee turnover at Atate Hospital, are:- lack of good governance, working condition, salary scale, work load advance and promotion if so the management of the organization should give attention for cause stated above to exist employees with

their accumulated knowledge, skill and experience to improve qualities of education in the organization.

In order to reduce employee turnover in the organization: - the administration should have to work with employees of the hospital to solve the gap between them, share of work load, and the organization should create strategies to reduce employee turnover strategy like: - provide a great work environment since it provide an attractive, health and safe work environment for the employees, effective communication and moral strategy and culture and respect strategy to reduce employee turnover. Generally, different thing will expect from the organization to reduce turnover

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WEB SITE

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[coigraup.com/.../strategies reducing employee turnover](http://coigraup.com/.../strategies%20reducing%20employee%20turnover)

APPENDIX

WOKLIKTE UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS

DEPARTEMENT OF MANAGEMENT

This questionnaire is prepared by perspective degree graduated of wolkite University, management students. This is to assess the cause and consequence of employee's turnover at Atate hospital use. Your response would play a great role for the success of study. And the researcher will be responsible for the confidentiality of your response. So your correct and genius response have greater value. Hence you are kindly requested to respond freely.

Note

- ✓ No Need Of Explaining Your Identity.
- ✓ Please Put Tick Mark () On A Given Box On Your Choice And You Are Kindly Requested To Answer By Writing On The Space Provided.

Part One: - Background Information/Personal Information

1. Sex: Male Female
2. Your Age: 18-30 31-40 41and Above
3. Marital Status:
 Married Unmarried Widow Widower
4. Educational Level:
 Degree Second Degree Above Second Degree

Part Two:-Attitude Related Question

5. Your Income Level In Month

1600-2200 2201-3000 3001-4000 Above 4000

6. Do You Interest In Current Work. Yes No

7. Whatever You Answer In Number "6" Justify The Reason.-----

8. Is There Employee's Turnover In Your Organization? Yes No

9. If Your Answer For Number "8" Is "Yes" What Type Of Turn Over?

Voluntary Involuntary

10. What Do You Think The Cause For Employees To Leave The Organization?

Working Condition Procedure Advance And Promotion

Compensation Salary Scale Other

11. Is Employee Turnover Having Effect On The Organization? Yes No

12. If Your Answer For Question Number"11" Is "Yes" What Is This Effect? -----

13. Is Employee Have Effect on Existing And Leave Employees? Yes No

14. If Your Answer For Question Number"13" Is "Yes" What Kind Of Effect? -----

15. Degree Of Effect Of Employee Turnover?

Educational Quality Organization Performance

Management of the Organization Service Delivery

16. What Do You Think To Reduce The Cause Of Employee Turnover?

Increasing Compensation Training

Share of Work Load Other

17. Appraise Condition Of The Organization.

Conducive Moderate Bad

18. Attitude towards Your Organization.

Very Good Good Bad

