

**The Effect of Human Resource Management Practice on Employee
Turnover: *The case of Ethiopian Airlines***

*A Thesis Submitted to the School of Graduate Studies of Jimma University in
Partial Fulfillment of the Requirements for the Award of the Degree of Master of
Business Administration (MBA)*

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JIMMA UNIVERSITY
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ADDIS ABABA, ETHIOPIA

DECLARATION

I hereby declare that this research proposal entitled "*The Effect of Human Resource Management Practice on Employee Turnover (The case of Ethiopian Airlines)*", has been carried out by me under the guidance and supervision of Emnet Negash (Ass. Prof.) and Mohammed Yassin (Ass. Prof.).

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

Researcher's Name

Date

Signature

CERTIFICATE

This is to certify that the research proposal entitles “The Effect of Human Resource Management Practice on Employee Turnover (*The case of Ethiopian Airlines*)”, submitted to Jimma University for the award of the Degree of Master of Business Administration (MBA) and is a record of bona fide research work carried out by Mr. *Mohammed Adem Wehab*, under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

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Abstract

The purpose of this study is to examine effects of human resource management practice on employee turnover with a special reference to Ethiopian airlines in Addis Ababa city. And human resource management practice was evaluated by recruitment and selection, career development, training and development, performance management, compensation, and health and safety. The study employed explanatory research, with quantitative approach. To achieve the objective of the study, primary data was collected from Ethiopian airlines employees. The study was carried out in Ethiopian Airlines head office located in Addis Ababa. Out of 9212 permanent employees 384 were selected using simple random sampling techniques. The data was collected through close ended questionnaire and was analyzed using descriptive statistical analysis and inferential analysis methods. Correlation analysis was assessed to figure out the relationship between HRM practices and employee turnover, multiple regression analysis was done to assess the influence of HRM on employee turnover, ANOVA and Cronbach Alpha was also tested. The results show that the selected human resource management practices contribute immensely to employee turnover. In order for Ethiopian Airlines human resource management team to tackle the employee turnover problem they have to effectively use different HRM strategies.

Key words: Human Resource Management (HRM), recruitment and selection, career development, training and development, performance, compensation, health and safety and employee turnover.

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CHAPTER ONE

Introduction

This chapter contains introductory part of the entire study. It provides some insights about the grounds and assumptions where the study is conducted. It states background of the study, statement of the problem, basic research questions, objectives of the study, significance of the study, scope of the study, definition of key terms, and organizations of the study. Accordingly, it begins with background of the study.

1.1. Background of the Study

An organization's performance and productivity could not be realized without employees support and contribution. Employees are partly responsible for the achievement of organization's goal and strategy.

Employee turnover reflects the ratio of organization's employees who are leaving from the organization to the existing number of employees in the organization during the described period of time. Professional workforce turnover is a major concern of managers and administrators in today's business world because of the costs incurred to replace them and their decreased productivity.

The cost of replacing staff is frequently underestimated, since workforce turnover has many hidden costs and implications. Employee turnover is potentially costly and may have negative implications whether it is voluntarily, such as resignations or involuntarily, such as termination initiated by the employer. The possible negative impact of turnover to organizations might be due to high cost of recruiting, training, and getting new employees, productivity loss during replacement, search and retaining, loss of high performers or high-skilled workers, and disruption of social and communication structures (Mobley, 1982).

Studies explain how high turnover levels have more than a monetary cost: they can have an impact on the productivity and morale of the remaining workers at work. Besides that, the retraining of new workers has an effect on productivity levels. To avoid these negative effects of

employee turnover, it is critical that Ethiopian Airlines resolve root causes and adopt best practice in human resource management processes.

Bulk of researches has indicated that turnover intention is due to combination of several factors. These numerous factors can be termed as push and pull factors or internal and external factors. In addition, employees may think to leave a certain organization for either money, for better working environment, looking for career advancement, looking for recognition, better supervisor, and better challenging work or for any that an individual can name (Mohammad, 2015). Moreover, in addition to other factors Human Resource Management (HRM) practices have immense impact on turnover intention in different contexts. Among the different HRM practices that leads clerical employees to think of leaving an organization include performance appraisal, compensation, training and career development and job design (Price, 2001). Furthermore, past researches have shown inconsistencies with respect to the determinants of turnover intention.

Human resource management is the most valuable commodity for any company, these companies need to recruit knowledgeable workers to achieve a competitive advantage. Perhaps more important than recruiting is the retention of qualified staff. Organizations face the challenge of keeping their workers, owing to intensified business competition. Without sufficient human resources, the organization would be unable to achieve the goals and objectives set; therefore, managing human resources is the main function of an organization's success.

A proper administration of HRM practices is crucial in retaining employees in organizations especially in small and medium enterprises. HR professionals and line managers have to work closely to ensure all key practices such as managing performance, administration of compensation policy, training, and employee relations are executed in an effective manner. Employees are an important resource in an organization as they positively contribute to the execution of organizational objectives and mission. The retention of such employees has been shown to be significant to the development and the accomplishment of the organization's goals and objectives especially in building competitive advantage over other organizations in the phase of increased globalization (Armstrong, 2011).

One cannot overemphasize the importance and tremendous commitment of human capital to organizations. Human resources are important and serve as the foundation of organizations across the globe. Employees are a vital resource that can be strategically positioned for an enterprise to achieve competitive advantage. Therefore, as a significant source of efficiency and competitive advantage, human capital requires companies to recognize the vital position of human resource management activities and make every effort to build and maintain this capital. Therefore, based on the above background this study will examine the effect of human resource management practices on employee turnover.

1.2. Background of the Ethiopian airlines

The first scheduled flight took place to Cairo via Asmara in Douglas C-47 Sky train. The national airline had been set up a few months earlier as Ethiopian Air Lines Inc., a joint venture with American airline, TWA (Trans World Airlines). Five US Government surplus C-47 aircraft were purchased for venture. Following the successful inaugural flight to Cairo, a regular weekly service was established. Weekly services to Djibouti and Aden followed, as well as a domestic service to Jimma. Demands for additional services were so great that towards the end of 1946, four more C-47 Sky trains were purchased. Since these aircraft were ex-US military, they had few comforts.

Vision: To become the most competitive and leading aviation group in Africa by providing safe, market driven and customer focused passenger and cargo transport, aviation training, flight catering, MRO and ground services by 2025.

Mission: To become the leading Aviation group in Africa by providing safe and reliable passenger and cargo air transport, Aviation Training, Flight Catering, MRO and Ground Services whose quality and price “value proposition” is always better than its competitors, To ensure being an airline of choice to its customers, employer of choice to its employees and an investment of choice to its Owner, To contribute positively to socio economic development of Ethiopia in particular and the countries to which it operates in general by undertaking its corporate social responsibilities and providing vital global air connectivity.

Values: As an airline, safety is our first priority, Ethiopian is a high performance and learning organization with continuous improvements, innovation and knowledge-sharing. We accept change for the growth opportunity it brings and always seek for and apply the best ideas regardless of their source, We recognize and reward employees for their performance and demonstrate integrity, respect to others, candor and team work, Act in an open fashion and be result-oriented, creative and innovative, Encourage 360° free flow and sharing of information, Treat our customers the same way we would like to be treated and always look for ways to make it easier for customers to do business with us, We are an equal opportunity employer. . (<https://www.ethiopianairlines.com>. Accessed date 04/02/2019).

1.3. Statement of the Problem

The impact of human resource mismanagement can have a profound negative effect on the organizations and one of the basic criteria for measuring the effectiveness of the HRM function in the organization is the personnel turnover (i.e. its voluntary leaving). As turnover is a symptom of a larger systemic problem companies' ought to understand what causes people to commit themselves to leave the company and reflects one's attitude towards the organization. Further employee turnover intention is only a few steps back from the actual turnover. Overcoming employee turnover intention will ultimately result in overcoming the actual turnover. Therefore, a company should be smart in understanding and controlling their employee's turnover intention.

Human resource management practices are a topic that have been covered by a large number of researchers worldwide for decades to analyze the relationship between HR practices on employee retention (Qureshi, 1994; Fey, 2000; Jones, 2010; Waiganjo, 2012; Tangthong, 2014). Actual employee turnover represents an outflow of skills and may consequently seriously hinder competitiveness, efficiency and quality delivery, following concepts as the determinants of employee turnover, such as salary and fringe benefits, working hours, workload, work pressure, training and development, leadership, career plans and family factors (Cho & Guchait, 2009) noted that internal recruitment and poor training of those employees leads to high turnover intention.

(Wangui, 2009) looked at employee retention in local Kenyan banks with a focus on Equity bank. Her study established that Equity Bank uses both financial and non-financial incentives to encourage its employees to stay. Romano et al., (2014) undertook a study on Effects of Employee Engagement on Employee Retention in Micro-Finance Institutions.

(Tofael Hossain Majumder, 2012) their study revealed that all HRM dimensions exercised in the private banking sector of Bangladesh does not satisfy employees equally. Most of the employees are dissatisfied with compensation package followed by reward and motivation, career growth, training and development, management style, and job design and responsibilities.

(Becker & Gerhart, 1996) argue that the economic returns of extensive training are more likely to be captured by the firm if employees are motivated to stay and contribute to the firm's success fostered in part by selective hiring, competitive pay packages and team-orientated work environment. Other studies posit that retention practices such as job enrichment, workspace characteristics and socialization can reduce turnover intention and its effects (Boon, 2013). Further (Deery, 2007) suggested if the organization focus on improving the quality and organizational strategies like enhanced recruitment strategies, training, appropriate education and job fit and work life balance of employees then it will increase the productivity of the organization and the rate of employee turnover intention. True employee retention takes time, effort, and resources, but the rewards can prove valuable. A research by (Sudin et al, 2011) in Malaysia to examine the HRM factors that impact employee turnover intention concluded that HRM practices which is including performance appraisal, reward, working condition, equal employment opportunity and training has impact on turnover intention of employee.

The researcher also goes beyond such literature to reveal what researches have been undertaken under the causes of turnover and turnover intension on the context of Ethiopia. We can count the efforts undertaken by the study of (Aman, 2015) in public sector, Yonas, 2016 in hotel industry (2014), Solomon. (2016) in public which examined the turnover aspects in relation with the different sectors correspondingly.

On the other hand, the methodology employed by various studies (for instance, cause of turnover) conducted in Ethiopia on the same issues seems inadequate or inefficient to expose the reality on ground. Descriptive design by its very nature is used to describe situations and any

phenomena as it actually exists Abiy et al., (2009), which is not sufficient to deal with cause and effect relationship among variables (independent and dependent).

In addition, as a researcher I tried to identify which problem needs a solution in my surrounding. Being part of an organization this big I observed that several human resource management practices lead to employee turnover in Ethiopian Airlines. Amongst them the practices having the most effect was found to be performance management, compensation, career development, training and development, recruitment and selection and health and safety. The reason I say this is because I tried to ask around employees that turned over what their reasons were and employees that are still working in the organization what human resource management practice would push them to employee turnover.

Moreover, turnover can also be weakened through perceived organizational support clear role. Those gaps have a great impact on achieving the human resource objectives of the Ethiopian Airlines. Based on this recommendation forward by the previous researched I tried to relate this practical gap with human resource management practice because these thoughtful problems are emanated from the top management particularly the human resource management section. Therefore, this initiates me to conduct on effects of human resource management practice on employee turnover at Ethiopian Airlines.

1.4. Basic research questions

In light of this, the problem can be articulated in the following basic research questions:

1. How does recruitment and selection practices influence employee turnover?
2. How does career development practices influence employee turnover?
3. To what extent training and development opportunities influence employee turnover?
4. How performance appraisal system does influences employee turnover?
5. What is the influence of compensation on employee turnover?
6. How does health and safety practices in the workplace influence on employee turnover?

1.5. Objective of the Study

1.5.1 General Objective

The main objective of this research is to investigate on the effect of human resource management practices on employee turnover of Ethiopian Airlines.

1.5.2 Specific Objectives

The specific objectives of the study include:

1. To evaluate the extent to which recruitment and selection practices of Ethiopian airlines influence towards employee retention.
2. To evaluate the extent to which career development practice of Ethiopian airlines influence towards employee turnover.
3. To assess how performance appraisal experience of Ethiopian airlines influence employee turnover.
4. To review the existing training and development practice in Ethiopian airlines and its influence on employee turnover.
5. To examine the effect of compensation programs in Ethiopian airlines on employee turnover.
6. To examine the effect of adopting health and safety in Ethiopian airlines on employee turnover.

1.6. Significance of the Study

This study might give Ethiopian airlines manager's perspectives on how human resource management practice affects employee turnover. Specifically, the study may show how recruitment and selection practices, performance management, career development, training and development, and Health and safety affects employee turnover. The information and knowledge obtained from this study might enable managers to have a better understanding of the human resource management practice to embrace and employ in order to decrease employee's turnover. This may help managers to better manage their employees to improve employee retention. Lastly, it may be used as a basement for those researchers who want to do further research on the same arena.

1.7. Scope of the Study

In order to conduct the research manageable, the researcher focused its scope on theoretically, methodologically, and geographically. Methodologically; the researcher used quantitative research in which quantitative approach is allowing the student researcher to establish the strong relationship between variables. Theoretically; HRM is a key ingredient in business campaigns which consist of recruitment and selection practices, performance management, career

development, training and development, and Health and safety. Geographically; due to the broadest perspective of the study area the researcher decided to study at the head office, and being regular staff. Hence, the study is only focused to Ethiopian airlines at Addis Ababa.

1.8. Limitation of the Study

Limitation has to be limitation when it has an impact on the study. There are some limitations against achieving objectives effectively. It was impossible to access some important employees document records and previous studies in the area. The other limitation was the lack of cooperation from some of the respondents during the distribution and collection of the questionnaire. Some respondents also filled the questionnaire carelessly.

1.9. Organization of the Study

The study is organized into five chapters. The first chapter deals with the introduction part of the study in which the background of the study, statement of the problem, objectives of the study, significance of study, scope and limitation and organization of paper. The second chapter is concerned with presenting the review of related literature. The third chapter deals with the research design and methodology of the study. Forth chapter deals with result and discussion of the study output. At last the fifth chapter deals with conclusion and recommendation of study.

1.10. Operational Definitions of terms and Concepts

Human Resource Management Practice - in this study, HRM practice refers to such management practice as selection and recruitment, career development, training and development, performance appraisal, reward and recognition and health and safety.

Career Development - opportunity for employees to continuously be a part in the various activities of Ethiopian airlines that develops employees.

Training and development - in this study, training and development was used to refer to the formal activities designed by Ethiopian airlines to help its employees acquire the necessary skills and knowledge to perform current or future jobs as provided for in the relevant policies.

Reward and Compensation – in this study, it refers to benefits that Ethiopian airlines offers to employees to retain people who are already working in the organization.

Performance Appraisal - evaluating Ethiopian airlines employee's performance on the assigned tasks to expedite further career development.

Health and Safety – in this study, health and safety was used to refer occupational safety and health administration to ensure safe and healthful working conditions for employees.

CHAPTER TWO

LITERATURE REVIEW

2.1. Theoretical Literature

2.1.1 Human Resource Management Practices

HRM practices are the primary means by which firms can influence and shape the skills, attitudes, and behavior of individuals to do their work and thus achieve organizational goal (Martin sons, 1995). HR practices are designed to improve the knowledge, skills and abilities of employees, boost their motivation, minimize or eliminate loitering on the job and enhance the retention of valuable employees. The present study investigated the following HRM practices namely, Human Resource Planning, recruitment and selection, training and development, performance appraisal, compensation and reward and the effects of these practices is examined carefully in details.

2.1.2 Theories of Human Resource Management

2.1.2.1 Best Fit Theory

Best fit HRM theories which are also known as universalistic theories postulates that HRM practices are universal in the sense that they are best in any situation and that adopting them will lead to superior organizational performance. Universalistic scholars (Luthans & Summers, 2005: Pfeffer, 2001) argue that there is a set of superior HRM practices which if adopted by a firm, would lead to enhanced firm performance. A crucial aspect concerning SHRM is the concepts of fit and flexibility. The degree of fit determines the human resource system's integration with organization strategy (Kumar, 2006).

Fit includes the utilization of human resources to help with the achievement of organizational objectives. In this context, organizational behavior, organization theory, and strategy researchers have long assumed that "fit" among organizational subcomponents results in organizational effectiveness, but often they have been frustrated by difficulties in both conceptualizing and operationalizing the concept. Similarly, a dominant theme of the SHRM literature is the need to fit human resources strategy to the larger organizational context (Milliman et al., 1991).

According to Lengnick-Hall and Lengnick-Hall (1988), managers should be fitted or matched to the nature of strategic business planning, the firm's expansion strategy, product life cycle, and future strategic needs and choices. In addition to the concept of fit, another theme in the SHRM literature is the need for flexibility in adapting human resources strategy to its larger organizational context (Lengnick-Hall and Lengnick-Hall, 1988).

According to the best fit theory, a firm that follows a cost-leadership strategy designs narrow jobs and provides little job-security, whereas a company pursuing a differentiation strategy emphasizes training and development. This approach is a counterpart to the “one strategy fits all” seen in Pfeffer’s seven best practices. The best fit school, therefore, argues that all SHRM activities must be consistent with each other and linked to the strategic needs of the business (Schuler, 1992).

According to the best fit school, human resources strategy will be more effective when it is appropriately integrated with its specific organizational and environmental context (Boxall and Purcell, 2000). It has been argued that human resources management practices that are not aligned and consistent with organizational strategy and which conflict with other human resources practices can restrain both individual and organizational performance.

Vertical or external fit refers to the alignment of human resources practices with the specific organizational context and horizontal or internal fit refers to the alignment of human resources practices into a coherent system of practices that support one another (Delery, 1998). In general, vertical fit is viewed as a critical step toward attaining the organizational goals through initiating some human resources activities that are aligned with firm objectives, while horizontal fit is essential when making good use of these resources (Wei, 2006). This type of fit shifts the focus from individual human resources practices to the entire human resources management system. If all of the practices fit into a coherent system, the effect of that system on performance should be greater than the sum of the individual effects from each practice alone (Ichniowski et al., 1997).

2.1.2.2 Human Capital Theory

Proposed by Schultz in 1961 and developed by Becker in 1994 suggests that HR practices can directly influence firm performance. It postulates that Workers have a set of skills developed by education and training that generates a stock of productive capital. Employees and employers

each derive benefits from investment in creating human capital. The level of pay should supply both parties with a reasonable return on that investment. Human capital constitutes a key element of the market worth of a company. A research study conducted in 2003 (CFO Research Studies) estimated that the value of human capital represented over 36 per cent of total revenue in a typical organization.

Human capital represents the human factor in the organization; the combined intelligence, skills and expertise that gives the organization its distinctive character. The human elements of the organization are those that are capable of learning, changing, innovating and providing the creative thrust which if properly motivated can ensure the long-term survival of the organization. These can be regarded as the intangible resources associated with people which, together with tangible resources (money and physical assets), comprise the market or total value of a business. Bontis (1998) defines intangible resources as the factors other than financial and physical assets that contribute to the value-generating processes of a firm and are under its control.

2.1.2.3 The Resource Based View (RBV)

An organization's resources can be divided into tangible (financial, technological, physical and human) and intangible (brand- name, reputation and know-how) resources. Barney (1991) argued that resources lead to sustainable competitive advantage when they are valuable, rare, inimitable, and non-substitutable. Resources such as technology, natural resources, finances and economies of scale can create value, however the resource-based theory argues that these sources of value are available to all and easy to copy, compared to complex social systems like human resources.

The resource-based view of the firm is a model of firm performance that focuses on the resources and capabilities controlled by a firm as sources of competitive advantage (Perce & Robinson, 2007). The genesis of the resource - based model can be traced back to the suggested that work organizations each possess 'distinctive competence' that enables them to outperform their competitors, and to Penrose (1959) who conceptualized the firm as a 'collection of productive resources'. This view focuses on the quality of the human resource available to the organization and their ability to learn and adapt more quickly than their competitors.

These resources include the human resources such as the training, experience, judgments, intelligence, relationships and insights of individual managers and workers in an organization. The sum of people's knowledge and expertise, and social relationships, has the potential to provide non-substitutable capabilities that serve as a source of competitive advantage (Cappelli, 2001).

2.1.2.4 Social Exchange Theory

Social exchange theory is reliant on voluntary actions rather than formal contracts (Pearce & Peters, 1985; Tsui., 1997; Aryee., 2002). According to this theory, individuals regulate their interactions with other individuals based on a self – interest analysis of the costs and benefits of such an interaction. SET argues that when workplace relationships are effective, then the organization benefits. The social exchange theory explains social change and stability as a process of negotiated exchanges between parties. Thus, people calculate the overall worth of a particular relationship by subtracting its costs from the rewards it provides. Outcome is defined to be the difference between the benefits and the costs.

$$\text{Worth} = \text{Rewards} - \text{Costs}$$

People seek to maximize their benefits and minimize their costs when exchanging resources with others (Molm, 2001). Individuals engage in an interaction with the expectation of reciprocity (Gouldner, 1960). These benefits need not be tangible and include things such as material or financial gains, social status, and emotional comforts. Costs generally consist of sacrifices of time, money, or lost opportunities. Social exchange theory is used as a framework for predicting the effects of management practice on worker attitudes. According to Stafford (2008), social exchanges involve a connection with another person; social exchanges involve trust, not legal obligations; they are flexible; and rarely involve explicit bargaining. Positive social exchanges can result in mutual benefits to both the employing organization and the workforce.

According to Flynn (2003) employees with relational identity orientation prefer reciprocal exchange, i.e. these employees may reciprocate an organization when they are in an interdependent task environment. Organizations adopt high -commitment HR practices making employees perceive organizational support and feel that they are important in the interdependent

organization. Based on social identity theory, employees who feel they are appreciated by their organization may perceive high status in the organization (Fuller, 2003).

2.1.2.5 The Matching Model

The 'matching model' is also known as the Michigan model, "best practice" or 'best-fit' approach to human resource management. This means that there is a correlation between the HRM strategy and the overall corporate strategy. The model is developed by scholars at the Michigan School in 1984. They stated that human resource systems and the structure of an organization should be managed in line with organizational strategy. Early interest in the “matching” model had been evident in Devanna (1984) work: “human resource systems and organizational structure should be managed in a way that is congruent with organizational strategy”.

This is closely related to Chandler’s (1962) distinction between strategy and structure (“structure follows strategy”). According to this model people have to be managed in a similar manner to equipment and raw materials. It highlights the ‘resource’ aspect of HRM and emphasizes the efficient utilization of human resources to meet organizational objectives. Human resources have to be obtained cheaply, used sparingly and developed and exploited as fully as possible (Budhwar & Aryee, 2002). Therefore, it requires that human resource strategies should have a tight fit to the overall strategies of the business. The model asserts that organizational effectiveness depends on a” tight-fit” between HRM strategy and business strategy. The essential idea of this model is that human resource practices should be matched to the firm’s desired competitive position. This is seen to make the organization more effective, and the matching model is credited for been simple and offering a basis for integrating human resource practices.

2.1.3 Independent variables of HRM

2.1.3.1 Performance Management (Appraisal)

Performance management is about performance and it is a necessary part of HRM. Performance as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors”. It is concerned with performance improvement, employee development satisfying the needs and expectations of all the organization’s owners, management, employees, customers and the community. Performance management is the

process by which executives, managers, and supervisors work to align performance with the firm's goals Armstrong and Baron (1998).

The way of giving corrective feedback should be practiced, and the manager should always stay polite, calm and professional. It has been argued that the most powerful mean of performance management is goal setting. If the goals can be made and achieved in a certain period of time it would mean that a person has control over the environment as well as the time could be managed. An effective performance appraisal system involves two-way communications between the supervisor and the subordinate about performance. Evaluation should not be viewed simply as a once a year completion of rating forms, it should be a continuing process (Schneider and Barsoux, 2003). For a formal performance appraisal to be effective, six steps must be taken according to "Ivancevich."

1. Establish performance standards for each position.
2. Establish performance evaluation policies on when and how often to evaluate, who should evaluate, the criteria for evaluation to be used.
3. Have raters gather data on employee's performance
4. Evaluate employees' performance
5. Discuss the evaluation with the employee
6. Make decision and file the evaluation. An effective appraisal system is an asset to the organization. Pareek and Rao (1981) viewed the objective of performance appraisal as follows: According to them, appraisal should serve the following objectives:

1. Help the employee to overcome his weakness and improving his strength and this enable him to improve his performance
2. Generate adequate feedback and guidance from the immediate supervisor to an employee working under him
3. Help identify employees for the purpose of motivating, training and development them.
4. Identify employees for salary increase, promotion and transfer
5. Identify training needs.

2.1.3.2 Compensation Management

Compensation is one of the human resource management functions that deals with every type of reward individual receive in exchange for performing organizational tasks, such as wages,

salaries and bonuses. The objective of the compensation function is to create a system of rewards that is equitable to the employer and employees. The compensation system is recognized as employee merit and it is widely linked with firm outcomes. Compensation by its definition means all monetary payments and all commodities used instead of financial to recompense employees Huselid (1995).

The reward system is organized to attract and motivate so as to keep employees. Reward refers to all the financial, non-financial and psychological payments that an organization gives for the employees in exchange for the work they perform.” Regardless of any other rewards, it gives to its employees, an organization must make three main decisions about monetary reward how much to pay, for whom to pay, and how much to pay. Emphasis should be placed on monetary reward as part of the total employment relationship Bratton and Gold (2007).

Reward management is closely related to the performance management as usually the rewards follow after successful performance. Rewards can be divided into financial and non-financial rewards and different strategies can be adopted for the allocation of rewards. In practice, the rewarding should be based on the type of job the individual is doing and how one performs the job, although the demand and supply of the labor force are increasingly affecting the rewarding. The reward is seen as a tool of managing which supports the success of organization and motivates the workforce to act according to the values and objectives of the organization (Armstrong 2010).

The rewarding has many different systems to follow. The financial rewards can be base pay, and performance related pay. Base pay is determined with internal and external rates that are the form of job evaluation and market rates and it is expressed with relation to a certain time period i.e. year, month, and week. The levels of pay are agreed with individual agreements or with collective agreements /with labor unions. To complement financial rewards, there are different tools of non-financial rewards. Those focus on the needs that people have for recognition, achievement, responsibility, influence and personal growth (Armstrong 2010).

Money alone cannot be relied on motivating employees to work, so it should be reinforced with these non-financial rewards. If the motivation is achieved in such means, it can have longer lasting and powerful effect on people (Armstrong 2010). However, choosing an appropriate

compensation mechanism is probably the core problem of HRM and represents the heart of personnel economics (Gar, Baldi, 2006). Further, he stated that compensation packages must be consistent with profit maximization on the part of the firms, but they should also provide workers with the incentives to do as well as possible. In addition, incentive compensation has a positive impact upon organizational performance, lower employee turnover and increases sales growth (Arthur, 1994).

2.1.3.3 Health and Safety

Maintaining Employee wellbeing and providing a safe working environment is one of the main human resource management practices because it is directly related to the organizational performance, individual well-being, profit and the service provided to the customers through the employees while contributing to the success of the organization (Turner, et al., 2008). Health and safety practices include workplace health and safety, occupational health programs, health and safety training, health and safety management, and health and safety inspection.

Implementing proper health and safety standard in the workplace improves the performance of the organization through employees by avoiding and reducing costs related disabilities, accidents, absenteeism and illness (Bratton & Gold, 2000).

Occupational health programs allow organizations to minimize the stress level of employees with higher productivity, less absence to work improve staff determination causing to reduce labor turnover (Armstrong, 2006).

Health and safety training among employees provided special courses to deal with the health and safety areas to be careful and have safety problems. This builds the confidence and commitment of the employee towards and organization (Armstrong, 2006) resulting further improvement in employee retention.

Safety and health management helps the organization to reduce costs, reduce risk in for employees at the workplace increasing their productivity because this practice motivates employees and keeps them in good health thereby reducing labor turnover (Health and Safety Executive, 1997).

Health and safety inspection prevent injury illness and property damage in the workplace and builds a positive health and safety culture, which enhances employee productivity, commitment and performance causing to reduce labor turnover (Armstrong, 2010).

2.1.3.4 Career Development

One of the main critical issues organizations facing today is to retain their employees (Allen, 2008). Career is defined as a 'sequence of life experiences over time' (Arthur, 1989). Career development is one of the main human resource characteristics that provide the opportunity for employees to continuously be a part in the diverse activities in the organization that develops employees (SHRM, 2012). According to Zheng (2001), career development is a formal approach taken by an organization to ensure that people with the proper qualifications and experience are available when needed. Career development activities include succession planning (Cedefop, 2008), talent management (SHRM, 2012), leadership development (Day, 2007), structured career management and self-assessment (Right Management, 2009).

Succession planning means examining development needs given a firm's strategic plans. That is, the formal approach identifies the organization's future direction and challenges and then derives the competencies new leaders need. Then the organization identifies internal and external target candidates. The outcome of succession planning is the development for further growth, work shadowing, job rotation within the organization and promotion leading to employee retention (Cedefop, 2008). Retention research indicates that individuals tend to stay longer where they are experiencing personal and professional growth. Career development and succession planning synergy creates happier and more productive employees in a growth-oriented company (Right Management, 2009).

Talent Management means connection of individual and team goals to corporate goals, and providing clear expectations and feedback to manage performance. A sound talent management plan is designed to close the talent gaps. It should also be integrated with strategic and business plans (Right Management, 2009).

Leadership Development can be described as a process of expanding the capacities of individuals, groups, and organizations to increase their effectiveness in leadership roles and processes. Increased effectiveness from this perspective pertains to anything that would improve

the ability of groups of people to work together in productive and meaningful ways. Thus, leadership development is inherently multilevel in that the developmental focus can be on the individual, group or team, or the entire organization-or some combination of all three levels. (Right Management, 2009).

Structured career management improves the employee's organizational commitment and behavior resulting further employee retention (Right Management, 2009).

Self-assessment enables to establish commitment to perform better in the organization and enriches the skills of functioning in the work place. Self-assessment is increasingly important for companies that want to empower their employees to take control of their careers (Right Management, 2009).

2.1.3.5 Training and Development

In the present economy training and development is among one of the key human resource management practices which leads to skills, abilities, superior knowledge, positive attitude and behavior of employees resulting the organization in profit (Tangthong, et al., 2014). Among them there are several different types of trainings and development methods. On-the-job training improves work efficiency, develops interest in work, gives satisfaction and reinforces the commitment towards the organization leading to employee retention (Ameeq-ul-Ameeq and Hanif, 2013). This includes on-the job training, off-the job training, job rotation, coaching & mentoring, and employee development. On-the-job training improves work efficiency, develops interest in work, gives satisfaction and reinforces the commitment towards the organization leading to employee retention (Ameeq-ul-Ameeq and Hanif, 2013).

Alternatively, recent research found that combined effect of training and development along with career development opportunities have a significant influence on employee retention (Meathfield, 2008). These employees are motivated to train themselves in order to enhance their career opportunities and develop themselves (Meathfield, 2008). This cause employee to be motivated and retain in the organization. Mostly employees are not much interested in training and development if that training is not linked with career development (Ramlall, 2003).

Any training program is expected to pass through the four consecutive stages: identifying training needs, designing training, delivering training, and evaluating the outcomes of the training. In consistency with this idea, Desimone et al. (2002) mentioned that, HRD programs should be designed and conducted using a four-phase approach consisting of: needs assessment, design, implementation, and evaluation.

Conducting Training Needs Assessment (TNA)

As stated by Casio (2003), the concept of needs typically refers to a discrepancy or gap between what an organization expects to happen and what actually occurs. In accordance with the same authors, need exists at any of at least three levels, at the organizational level, at the job or tasks level, and at the individual level. To ensure an effective human resource development effort, needs must be measured on each level. As a result, three types of assessments must be conducted: organizational analysis, task analysis, and person analysis. Each level of assessment measures has different aspects of the organization. Strategic or organizational analysis suggests where training is needed in the organization and under what conditions it will occur. Task analysis explains what must be done to perform a job or complete a process successfully. Person analysis reveals who needs to be trained, and what kind of training they need. The author has argued that, focusing only on performance deficiency in needs analysis is too restrictive and has proposed three other possible ways of looking at training needs. These include democratic needs, diagnostic needs, and analytic needs.

According to the author, democratic needs are options for human resource development that are preferred, selected, or voted by employees or managers, or both. Programs that address these needs are likely to be accepted and desired by an organization member. Diagnostic needs focus on the factors that lead to effective performance and prevent performance problems, rather than emphasizing on the existing problems. Diagnostic needs are identified by studying the different factors that may affect performance. The goal is to determine how effective performance obtained is. Analytic needs identify better ways to perform tasks. These needs are generally discovered by intuition, insight, or expert consideration. The author further pointed out that, clearly, organizations are better served if human resource development efforts consider all types of needs focusing on ways to maintain effective performance and make it even better as well as

fixing what is done poorly. This indicates that, such categorization of needs reinforces the notion that human resource development should be proactive and future oriented.

According to Desimone (2002), the most important techniques employed to conduct training need assessments are interviews, questionnaires, performance appraisal results, standard reviews, and environmental scanning. With reference to how training should be viewed, there are different thoughts on the relevance and importance of training basically emanating from peoples' diverse perspective of thinking of training.

Designing the Training Program

The second step in a training program is developing the training objectives and criteria. The instructional objectives and criteria describe the performance in terms of training. There are two advantages to developing objectives. First, the objectives provide criteria for evaluating the training program. Second, the objectives provide trainers with the specific topics and content to focus on. This ensures that, training programmers are focusing on important topics and goals that have meaning to trainees (Sherman et al., 2001).

Bohlander (2001) suggested that, the key activities involved in designing a training program are: setting objectives, selecting the trainer, developing a lesson plan, selecting program methods and techniques, and finally preparing materials and scheduling the program. Training program objectives describe the intent and the desired result of the program. The objectives are used as the basis for determining which methods should be used to achieve the specified outcome.

Implementing the Training Program

Once training has been designed, then the actual delivery of training can begin. It is generally recommended that, the training be pilot-tested or conducted on a trial basis to ensure that the training meets the needs identified and that the design is appropriate (Mathis & Jackson 2006). Regarding implementation of a training program, Desimone (2002) stated that the primary responsibility for implementing the training program lies, of course, with the trainer. The trainer has to make appropriate decisions in arranging the physical environment and seating conditions to make the trainees feel comfortable and concentrate on the processes of the learning particularly important in on-the-job training. The authors added that most importantly, the trainer should make every effort possible to build a friendly environment characterized by mutual

respect and openness among the trainees and between the trainer and the trainees. This implies that, the trainer is highly responsible to make sure that the training environment is free from any distractions such as noise and there should be appropriate ventilation, temperature, and good lighting to deliver the training program.

According to Noe (2006), to be motivated to learn, employees must be aware of their skill, strengths and weakness of the link between the training environment and improvement of their weakness. In addition, managers should make sure that employees understand why they are asked to attend training programs, and they should communicate the link between training and improvement of skill weaknesses or knowledge deficiencies.

Conducting the Training Evaluation

Evaluating a training program is perhaps the least focused but the most important aspect of any training program that help organizations justify the costs incurred for the training program. Moreover, it can also provide very important inputs for improving future training schemes if wisely and carefully managed. According to Bohlander et al., (2001) there are four levels or phases of evaluation of any training program that can serve as a general framework to evaluating any conducted training programs.

These are: reaction, learning, behavior, and results. The first phase: reaction refers to getting inputs in terms of the materials, methods, facilities, content, trainers, duration, and relevance of the training program. Mostly, it is assessed at the end of the training program either through interviews or questionnaires. The second phase: learning is about evaluating how well trainees have learned facts, ideas, concepts, theories, and attitudes. Tests on the training materials are commonly used for evaluating learning, and they can be given both before and after training to provide scores that can be compared. The third phase: behavior pertains to measuring the effect of training on job performance through interviews of trainees and their co-workers and observing job performance.

The last phase result: deals with measuring the effect of training on the achievement of organizational objectives. Results such as productivity, turnover, quality, time, scales, and costs are relatively concrete; this type of evaluation can be done by comparing records before and after training.

Concerning the measurement mechanism of results of a training program, Bohlander and Snell (2004) suggested that, there are three common approaches to measuring the results of the training program: cost-benefit analysis that focused on calculating the utility or benefits of the training programs as compared to its costs; return on investment that deals with the measurement of the returns of the training program relative to its investments; and benchmarking that hinges on the process of measuring one's own services and practices against the recognized leaders in order to identify areas for improvement.

2.1.4 Staff Turnover

Employee turnover is defined as the entry and exit of individuals into and out of the workforce of an organization over a specific period of time. Exit from an organization can take the form of resigning, retirement, dissimilar or death. For this reason, employee turnover can be defined as the entrance of new employees into the organizational work environment and the departure of existing employees from the organizational work environment (Lensa, 2007).

Employee turnover as, “the period of deteriorate to move from a job in one place to some other job in some other place”. This indicates that the movement of employees from one organization to other organization for the same position or some different position derived by the internal desires of the individual Khatri, 1976).

2.1.4.1 Reasons for employee turnover

Employees voluntarily resign their appointments in organizations for various reasons which can be classified into two: pull and push factors. The pull factors include the attraction of a new job especially in a growing economy. In such cases, it is the availability of alternative jobs that attracts an employee to withdraw from a particular organization. The push factor may be dissatisfaction with the present job that motivates an employee to seek alternative employment elsewhere. Sometimes, it is a mixture of both the pull and push factors. However, some reasons for leaving are entirely explained by domestic circumstances outside the control of any employer, as is the case when employees relocate with their spouses or partners (Sherratt, 2000).

Research conducted by the Hay group and reported by Sharman *et al.* (2006: 22) reveals that about one third of the millions of employees surveyed worldwide plan to quit their jobs within two years. Some employers attract job applicants with unrealistic and non-existent conditions of service during interviews. However, when these new employees get on board and the conditions of service promised by the employers are not forthcoming, such employees immediately update their resumes and quit for other jobs.

According to a study by the Chartered Institute of Personnel and Development (2006) in the United Kingdom (UK), there are factors that are specific to the individual that can influence early turnover. These include both personal and trait-based factors. Personal factors include 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.

These personality traits are some of the same characteristics that predict job performance and counter-productive behaviors such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production. Most environmental contributors to turnover can be traced to management practices. Turnover tends to be higher in environments where employees feel they are taken advantage of, feel undervalued and inadequately compensated. Management practices that promote inequity, inefficiency and lack of foresight and ability to provide purposeful leadership will encourage skilled and professional employees to leave the organization. Kinnear and Sutherland (2000) further argue that skilled employees need space to act independently and freedom to plan and execute work the best way they choose.

2.1.4.2 Types of Employee Turnover

There are a few generally accepted forms of employee turnover. These include that Voluntary and Involuntary Turnover; Functional and Dysfunctional Turnover; Avoidable and Unavoidable Turnover; Internal and External Turnover; and Skilled and Unskilled Turnover. In general, all resignations not formally initiated by employers are voluntary resignations. Voluntary turnovers are further distinguished between functional and dysfunctional turnovers (Taylor, 1998).

Functional turnovers are the resignation of substandard performers and dysfunctional turnovers are refers to the exit of effective performers(Loquercio et al 2006).They also classified dysfunctional turnover, which is the most concern of management due to its negative impact on the organization's general performance, into avoidable turnover (caused by lower compensation, poor working condition, etc.) and unavoidable turnovers (like family moves, serious illness, death, etc.) over which the organization has little or no influence.

2.1.4.2.1 Voluntary Turnover

When employees leave an organization at their own discretion, it is referred to as voluntary turnover (Curran, 2012). The turnover in which employee has own choice to quit or instances of turnover initiated at the choice of employees". Voluntary turnover is voluntary cessation of membership of an organization by an employee of that organization (Katamba, 2011). Ronra and Chaisawat (2009), had described that voluntary turnover is the situation when an employee decides to end the relationship with the employer for personal or professional reasons.

Employee turnover, as a voluntary phenomenon, refers to an individual's self-initiated and permanent termination of membership in an organization (Reiche, 2008). As this explanation the turnover occurrence is initiated by the employee his or her self and the turnover is the permanent one. This means once the employee separated from the employer, he or she does not join that organization again. Academic interest in voluntary turnover results from the fact that organizations have less control over employee initiated turnover than company-initiated discharge (Reiche, 2008). Also, since high performing employees are thought to have access to more external employment opportunities than poor performers and are therefore more likely to quit, voluntary turnover is particularly harmful for organizational performance (Reiche, 2008).

According to Nawaz et al (2009), Voluntary Employee Turnover means when an employee leaves the company with his own intension. It might be due to better job opportunity, existing job dissatisfaction, bad working conditions or negative behavior of supervisor. This indicates that voluntary turnover is caused by better job opportunity from other organizations, existing job dissatisfactions due to different factors in the current organization, bad working condition in the current organization, and unenthusiastic behavior of manager in the current organization.

2.1.4.2.2 Involuntary Turnover

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

Involuntary turnover defined as “an instance of involuntary turnover, or a discharge “that “reflects an employer’s decision to terminate the employment relationship”. This type of turnover is initiated by the employer and the relationship between employee and employer come to an end. The involuntary turnover includes retirement, death, and dismissal because of poor performance result or unethical behavior at work place, as well as resigning to take care of a lethally ill family member or movement of a spouse to another area. The employer may initiate involuntary turnover due to organizational bankruptcy, desires to decrease costs, introduction of new technology, and organizational restructure Curran (2012).

2.1.4.2.3 Avoidable and Unavoidable Turnover

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

A turnover that happens in avoidable circumstances is called ‘Avoidable Turnover’, where as “A turnover that happens in unavoidable circumstances is called ‘Unavoidable Turnover. According to this definition, the organization first of all understands the causes of the turnover then can take corrective action to avoid the avoidable turnover. For instance, if the cause of the turnover is poor working procedure, the management of the organization can avoid the turnover by improving the working procedures. But, the unavoidable turnover such as death, permanent

disability, regular retirements and likes are cannot controlled by the management of the organization.

2.1.4.2.4 Functional and Dysfunctional Turnover

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

2.1.4.2.5 Internal and External Turnover

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

2.1.4.2.6 Skilled and Unskilled Turnover

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

Employers do not worry about unskilled employee turnover because of the ease of hiring new ones. On the other hand, high turnover of skilled employees poses a risk to the business and ultimately in the organization in the form of human capital lost. These include skills, training and acquired knowledge. Since these specialized employees have skills that are relatively scarce and can be re-employed within the same industry, their leaving can act as a competitive disadvantage to the organization in addition to the cost of replacing them. In general organizations face low risk with the unskilled turnover and face high risks with the skilled turnover (Emeka and Ikemefuna, 2012).

2.1.4.3 Factors Affecting employee turnover

There are several reasons why people quit from one organization to another or why people leave. Employees move from one organization to the other and from one industry to the other for different reasons. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them like higher salary or better benefits; on other occasions they are 'pushed' due to dissatisfaction in their present jobs to seek alternative employment. Sometimes it is mixtures of both pull and push factors. Generally, these factors can be divided into Economic, Psychological and demographic factors influencing turnover.

2.1.4.3.1 Economic factors

According to pay is considered as a part of the sanctions system used by the organization to motivate employees to be in compliance with its regulations and rules. Pay satisfaction was examined to be negatively correlated with intention to leave, since it was positively correlated with job satisfaction (Lum1998). Mano et al. (2004) argues that employees quit from an organization due to economic reasons. Even though compensation has ranked among the top contributors to employee job satisfaction, it is unlikely that employees view it in isolation from other factors Mueller and Price (1990).

Pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives it is more likely that employees will remain with the organization

and vice versa. While pay and benefits alone is not a sufficient condition for a high satisfaction, it is a necessary condition for the same (Griffeth, 2000).

Robbins (1988), Okumbe (2001) and Scheir (1988) assert that in determining compensation levels, organizations must be conscious of the prevailing market rates to ensure fairness and equity in compensation. Okumbe further, asserts that organizational indifference on going rate or going range will affect negatively on efforts meant to attract and retain the required staff. When people are paid well, they are able to live well and are able to meet their daily needs, concentrate at their places of work, and accomplish the tasks assigned to them (Lawler, 1981).

The relationship between training and turnover can be traced back to the Human Capital theory, which proclaimed that education is an investment in human capital which can increase the quality of an employee (Becker, 1993). It is often assumed that the level of education has a positive effect on the probability of job mobility since high education is often associated with better labor-market alternative (Royalty, 1998).

Pool (2000) and Hall (2001) suppose that during the process of encouraging employees to want to learn, it is necessary for the existence of an organizational culture to support the learning. Efficiency of learning can allow employees to firmly possess the skills about personnel companionship interaction and correct social manners so that it is available to boost morale and reduce the absence rate and job alternation rate. Hence the turnover rate will be low if there are training opportunities in the organization. Career advancement opportunities were reported as an important aspect to employee job satisfaction in the journal of human resource article (2005).

Employees who are more highly educated are however more likely to leave because education is a form of human capital that can easily be used in other organizations. With specific human capital, the opposite is true. As education and training limit employee's opportunity of finding another job in the job market, they are regarded as significant factors affecting intention to leave (Stolzenberg, 1975).

2.1.4.3.2 Psychological factors

Psychological factors refer to the employee's mental process and behavior, such as expectations, job satisfaction, organizational commitment and job involvement or affectivity. According to Mueller & Price, (1990) conceptualizing turnover psychologically deals with factors that are influenced by employee's emotions, attitudes or perception. The psychological school of turnover may be classed as voluntary, as they emphasize the role of individual choice and often includes only those dimensions related to work issues and thus, they neglect non-work factors as reasons for leaving work (Lee et al., 1996). A psychological contract refers to an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between that person and another party (Rousseau, 1989; Farmer & Fedor, 1999). The concept of the psychological contract is based on the insight that the employee's motivation and the level of their performance have to be maintained by the organization through incentives and rewards (Brinkmann & Stapf, 2005).

Job satisfaction is a collection of positive and/or negative feelings that an individual hold towards his or her job. According to Tett and Meyer (1993) high job satisfaction leads to lower turnover, while low satisfaction leads to higher turnover. However, Weitz (1952) argued that job dissatisfaction would be more predictive of turnover if it was considered in the light of an individual's predisposition to be satisfied with everyday life events. Spencer and Steers (1981) found a strong negative relationship between job satisfaction and turnover only for employees who were relatively low performers. They observed that high performing employees who became dissatisfied were encouraged to stay by receiving whatever inducements could be provided to change their feelings. Whereas, low performers received no such encouragement, therefore, job satisfaction was more likely to be related to quitting for them than for the high performers. Mobley et al (1978) found that job satisfaction negatively effects turnover intent, and turnover intent directly impacts voluntary turnover.

2.1.4.3.3 Demographic factors

Demographic variables are also known as personal characteristics and are widely used in turnover research. Despite a wealth of research, there appear to be few characteristics that meaningfully predict turnover, the exceptions being age and tenure which were examined to have a direct impact on intention to leave (Price, 1995).

Age has been found to be negatively correlated with the probability of job turnover intent (Henneberger & Souza-Poza, 2007). Based on the matching theory, younger people have an experimental stage at the beginning of their professional life. A change is less attractive, since the available time to redeem the costs associated with a job turnover diminishes with age. Emphasizing the turnover rate amongst employees, McGlaham (2006) remarks that the mobility rate is such that a young employee entering the work force after graduation can expect to have an average of twelve different jobs by the time such an employee attains the age of 40 years.

Various studies examined the effect of gender on job mobility. Griffeth et al. (2000) cited evidence that gender moderates the age-turnover relationship. Social-psychological studies e.g. Crosby (1982) and Mueller & Wallace (1996) show organizational and job satisfaction to be equal between women and men. Economic studies however e.g. Clark (1997) and Souza Poza (2007) concluded that due to the lower expectations of women about their careers, they seem to have a higher job satisfaction on identical jobs than men, which generally reduces job turnover inclinations.

2.2. Empirical literature

A study conducted by (Beletshachew, 2017) examined the effect of selected human resource management practices with employee turnover intention revealed that there is no relationship between remuneration, reward, recognition factors and employee turnover intention. Whereas there is a large and strong relationship between training and career development and employee turnover intention. The results of this study show person-organization fit, remuneration, reward and recognition were not a predictor of turnover intention and has not been found significant.

Another study conducted in the service industry seeking to find the effect of human resource management practices on employee retention by (Anne, 2015) showed that career development and compensation positively influences employee retention.

Some revealed that besides fairness and growth opportunities as job satisfaction for employees, compensation and rewards was also cited as an important criterion for job satisfaction and negative turnover intention. (Kampkötter, 2014) stated job satisfaction as a mediator to turnover intention due to the compensation.

Most of the employees are having low turnover intention while they are in training, but turnover intention increases after they have been trained (Haines et al., 2010). However, from the study by (Kim, 2012), it shows that there is a significant negative relationship between employee training and development with the turnover intention in the State government Information technology sector in United States. The reason is that training and development is able to increase the employee's job satisfaction and this may lead to lower turnover intention among the employees.

According to one local study by Yared, 2007 that the causes of staff turnover are a combination of factors. Family problems, poor leadership, dissatisfaction with the job, better opportunity in other organizations, dissatisfaction with the area, and educational opportunity are some of the causes. Professional employees' turnover in organizations is more common than other organizations (Asmamaw, 2011).

Unless employees are satisfied by their assigned job, the output of the organization will be affected either directly or indirectly (Sebisibe, 2002) Desalegn (2010) also affirms that human resource development can be realized by employees' satisfaction. On this study determinant factors that leading to Ethiopian electric power employee's dissatisfaction were identified and measured as to how it affects the entire success of HRD practices. The study finds out that employees are not satisfied because the management's unfair provision of opportunities for quit few sections of employees. In similar study by Abdu (2011) which compares nurses and midwives job satisfaction.

2.3. Conceptual framework of the study

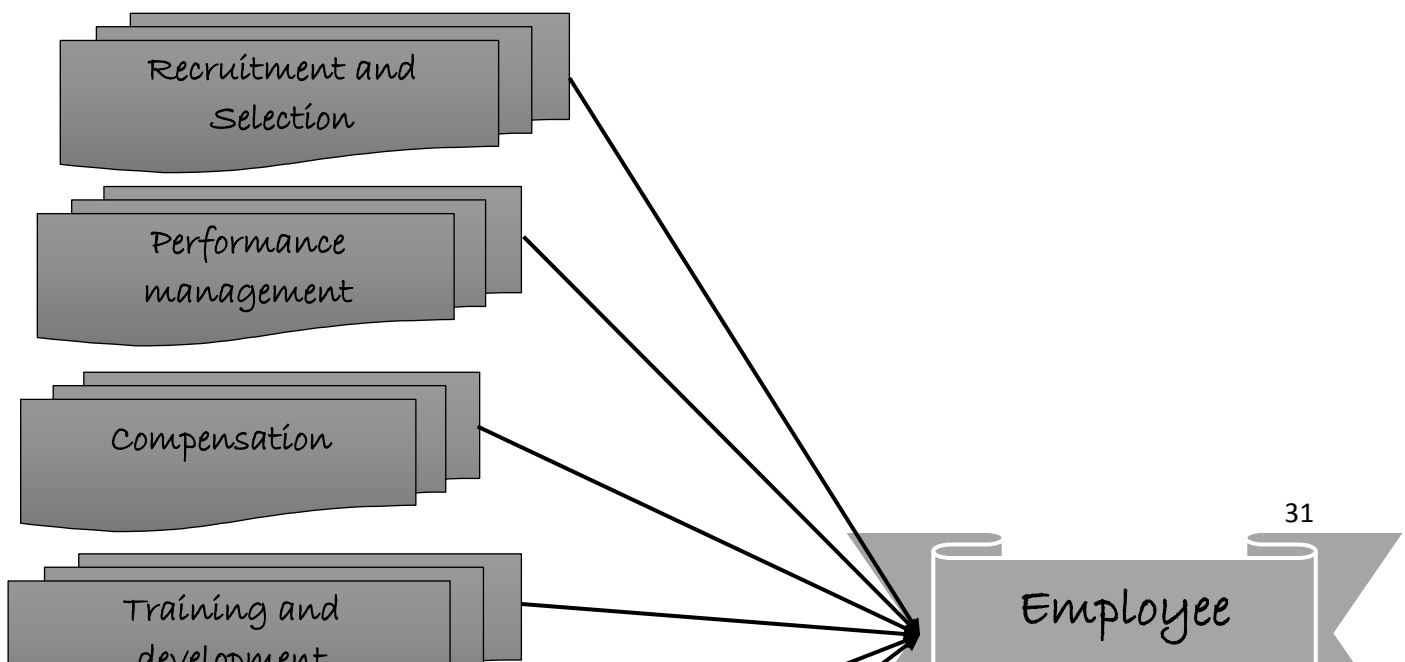




Fig 2.1. Conceptual framework of the study

A conceptual framework is an illustration of what a researcher expects to find by conducting the study. It defines the variables relevant to the analysis and maps how they might relate to each other. Before start collecting the data, the researcher should create a conceptual structure. Sometimes it is represented in a visual way. This model was developed from personal experience, being part of this organization gave me an insight on which factors do affect the employee turnover.

CHAPTER THREE

RESEARCH DESIGN AND METHODS

Introduction

Methodology comprises the approach, strategy, methods and procedures adopted to conduct research (Chanston and Mangles, 2003). This chapter deals with the methods that were used in this study. This chapter is organized under the following sub-headings: research design, method of data collection, sampling technique and sample size, data source, data processing and data analysis, validity and reliability, response rate and ethical consideration.

3.1. Research Design

Research design refers to structure of an enquiry and it constitutes the blue print for collection, measurement and analysis of data (De Vaus, 2001). The research design used for this specific research was explanatory/casual. The reason this research design was used is to increase the researcher's understanding of the given subject. In addition, it helped the researcher decide how and why things happen. In this thesis the research design assisted me to determine to what extent the different human resource management practices affect employee turnover.

3.2. Research Approach

According to Aliaga & Gunderson (2002) Quantitative research is an inquiry into a social problem, explain phenomena by gathering numerical data that are analyzed using mathematically

based methods e.g. in particular statistics. Quantitative approach was used for statistical procedures to analyze and develop inferences from that data that's statistical models such as means, standard deviations, correlations and regressions analysis was used. The reason this approach was used is to allow for a wider analysis, including more subjects, and improving the generalization of the findings; it also allows for greater objectivity and precision of the results.

3.3. Data type and source

There are two sources of data; these are primary and secondary sources. Thus, the researcher used both primary and secondary sources to collect data. The benefit of using primary data is that the researcher gathers information for their study 's particular purposes. The questions the researcher ask are, in essence, designed to produce the data that helped with the analysis.

The close ended questionnaires which are designed on an ordinal scale of measurement basis are used to collect primary data, so that the variables could be ranked to measure the degree of the agreement or the disagreement of the respondents with the variables. The source of primary data for this study are employees of Ethiopian airlines. Primary data was collected using questionnaires.

Secondary data are those which have already been collected by someone other than the investigator himself. The source of secondary data are library books, international journals, research papers, E-sources, research papers related to the topic, internet, etc. The advantage of using secondary data is to validate and compare the data collected through questionnaire to existing literature and articles. Secondary data was used to collect general data regarding the organization's population from the human resource office of Ethiopia Airlines.

3.4. Target population and sample size

As of December 31, 2019, Ethiopian Airlines Company had a total of 13638 permanent employees. These employees are situated in different locations in which the company operates hence 12105 of the employees work in Addis Ababa and the rest 1533 are located in domestic Ethiopian and outstation offices. And the study doesn't include employees at domestic Ethiopia and outstation offices because of the reasons stated in the scope of the study. Furthermore, out of the total employees located in Addis Ababa (12105) employees who are working in Addis Ababa and always available when it is required and Pilot and Cabin Crew (2893) whose nature of work

takes them out of Addis Ababa. Hence, the total population of the study are 9212 permanent employees.

Sample size determination is a scientific task that should be performed with proper care (Zikmund, 2010). The following formula is used by the researcher to determine the sample size for a given population. A representative sample size with known confidence level which is 95% is selected, based on the formula of (Yamane, 1967). Therefore, considering the above given points the sample size for this study is calculated as follows:

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

Where:

n = the sample size/ required sample size

N = the total population size

1 = designates the probability of the event occurring.

e= the level of precision (Sampling error that can be tolerated which is 5%).

Assumptions: A 95% confidence level, and **e** = ±5%

Therefore:

$$n = \frac{9212}{1+9212(0.05)^2}$$
$$n = \underline{384}$$

So, a total of 384 respondents was selected to gather relevant data to complete the research work.

3.5. Sampling technique

Creswell (2003) asserted individual researchers have freedom of choice. They are “free” to choose the methods, techniques, and procedures of research that best meet their needs and purpose. Since the aim of this study is to get actual information about effects of human resource

management practice on employee turnover in Ethiopian airlines. This study used probability sampling techniques in order to give equal opportunity for the target population.

Sampling is the process or technique of selecting a suitable sample for the purpose of determining parameters or characteristics of the whole population. To carry out a study, one might bear in mind what size the sample should be, and whether the size is statistically justified and lastly, what method of sampling is to be used (Adams, 2007). After taking the representative sample size, simple random sampling techniques was done for identification of respondents to the quantitative questionnaire. Since, simple random sampling is the most practical way of sampling to give every population equal chance to be representative sample for this study. Simple random sampling using a random number table was done to select target of Ethiopian airlines for the study.

3.6. Methods of data collection procedure

The data for this study was collected from two sources, primary and secondary. The primary instrument for data collection in this research which is close ended questionnaire. The main parts of the questionnaire measure the human resource management practice of the case company and turnover of its employees respectively. Thus, human resource management and employee turnover is measured using standardized questionnaire items adapted from different thesis. So, using a 5 - point Likert scale, on which label given for respondent to express their level of agreement for each item among the scales. The reason this method was used because the Likert scale in its final form is a five-point scale that is used to allow the individual to express how much they agree with or disagree with a specific statement. A Likert scale assumes that the strength/intensity of an attitude is linear, i.e. on a continuum from strongly agree to strongly disagree, and makes the assumption that attitudes can be measured. For example, each of the five (or seven) responses would have a numerical value which would be used to measure the attitude under investigation.

3.7. Reliability and validity

In order to ensure the quality of the research design, content and construct validity of the study was checked. The content validity was verified by the advisor of this research, who looked into the appropriateness of questions and the scales of measurement. Moreover, pilot test is

conducted prior to the actual data collection that could help to get valuable comments. Furthermore, in order to test the construct validity, correlation coefficient for the independent and dependent variables was calculated to ensure that independent variables positively related with the dependent variable. Thus, the independent variables can be considered as a good measure of employee turnover. Furthermore, one of the most commonly used indicators of internal consistency is Cronbach's coefficient alpha and ideally this coefficient should be above .7 (Pallant, 2005). Thus, reliability of the measures ensure that they are free from error and yield consistent results.

3.8. Methods of data analysis

The data analysis is made by using both descriptive and statistical regression. Descriptive statistics such as frequencies, percentages, means and standard deviations are done to summarize and present the data. Also, tables are done to increase understanding and facilitate easy comparison of the data collected from the survey. With regard to statistical regression (particularly multiple regression) is done to examine the significance contribution of each independent variable to the dependent variable; employee turnover. Lastly major findings are interpreted based on the result.

Equation

Regress recruitment and selection, performance management, career development, training and development, health and safety, and compensation on the employee turnover

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + E \dots\dots$$

Where Y is the dependent variable – employee turnover

X1, X2, X3, X4, X5 and X6 are the explanatory (independent) variables

β_0 is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero.

β_1 regression coefficient that measures a unit change in the dependent variable when x_1 changes the change in employee turnover when compensation change

β_2 regression coefficient that measures a unit change in the dependent variable when x_1 changes the change in employee turnover when selection and recruitment change

β_3 regression coefficient that measures a unit change in the dependent variable when x_1 changes the change in employee turnover when performance management change

β_4 regression coefficient that measures a unit change in the dependent variable when x_1 changes the change in employee turnover when career development change

β_5 regression coefficient that measures a unit change in the dependent variable when x_1 changes the change in employee turnover when health and safety change

β_6 regression coefficient that measures a unit change in the dependent variable when x_1 changes the change in employee turnover when training and development change

E Errors

3.9. Ethical Consideration

This researcher respects the right and/or interest of respondents to participate voluntarily in this research project. The researcher did not force individuals to participate in the questionnaires and also confirm confidentiality of information by informing respondents not to write their names on the questionnaire. The researcher is clearly disclosed the aim of the study as if it is anonymously academia. Finally, the study was done impartially and independently.

CHAPTER FOUR

DATA PRESENTAION, ANALYSIS AND INTERPRETATION

This chapter deals with a discussion of the final results and the process through which the results were obtained. In addition to this, background information of respondents is presented. Finally, the descriptive analysis and statistical methods of analysis are discussed; including the result of correlation analysis, and multiple regression analysis was conducted using SPSS version 20. Concurrently, the result obtained from analysis is also compared with empirical studies to confirm if they are consistent. The sample consisted of employees of Ethiopian airlines. The student researcher distributed 384 questionnaires, out of which 320 questionnaires were

successfully completed and returned with a non-response rate of 16.7%. Finally, the total sample size of 320 respondents, were used in this study amounting to a response rate of approximately 83.3%.

4.1. Reliability Analysis

The reliability of scale shows that how free the data is from random error. Therefore, it is always advisable to select that scale that is reliable. One of the most commonly used scales of reliability is internal consistency. Internal consistency refers to “the degree to which the items that make up the scales are all measuring the same underlying attributes (i.e. the extent to which the items “hang together”) Christopher, 2015). The Cronbach Alpha technique was applied to assess reliability of the measurement scales used in the study.

Table 4.1: Reliability Test Result

Variables	Cronbach’s Alpha Result
Selection and recruitment	.892
Career development	.855
Performance management	.898
Compensation	.956
Training and development	.781
Health and safety	.802
Employee turnover	.908

Source: SPSS Result, 2020

As can be seen in Table 4.1, the variables scored from excellent to good alphas selection and recruitment has a good reliability with $\alpha = 0.892$, career development has a good reliability with $\alpha = 0.855$, performance management has a good reliability with $\alpha = 0.898$, compensation has an excellent reliability with $\alpha = 0.956$, training and development has an accepted reliability with $\alpha = 0.781$, health and safety has a good reliability with $\alpha = 0.802$, employee turnover has excellent reliability with $\alpha = 0.908$. According to Cronbach (1951), a Cronbach Alpha of 0.70 is an acceptable level; this means that there is internal consistency in the items considered.

4.2. Descriptive statistics

In this section, the basic information of the respondents is explored. Table 4.2 is about the demographic characteristics of the respondents. This information is presented in order to make the reader understand the size of population taken, gender, education level and working experience of respondents. Consequently, the findings are presented in Table 4.2.

Table 4.2: Demographic Characteristics

		Frequency	Percent
Gender	Male	184	57.5
	Female	136	42.5
	Total	320	100.0
Education Level	Diploma	10	3
	Degree	190	59
	Masters	120	38
	Total	320	100.0
Working Experience	Less than 3 year	84	26
	3-5 year	81	25
	6-8 year	137	43
	More than 8 yrs.	18	6
	Total	320	100.0

Source: SPSS result, 2020

In the 4.2 table, the Gender specification of the respondents is presented. A total percent of male respondents was 57.5% and female respondents were 42.5%. This shows that male workers are more than female workers.

This table shows the level of qualification each respondent had. Respondents that had BA degree (59%) level have the highest level of frequency which shows that most of the Ethiopian airlines have First degree holder's employee. After that come master's holders (38%) and then diploma holders (3%). These results show that level of qualification among employee of Ethiopian airlines is high and that most of the employees are educated more than a diploma certificate.

Regarding to service years of respondents in the Ethiopian airlines, 26% of the respondents had less than three years of experience. 25% respondents are under 3-5 years experienced, 43% are 6-8 year experienced, and 6% are more than 8 years experienced years respectively. From this we can understand that, most of the respondents are 6-8 years experienced and more than 8 years of experienced respondents are the lowest as compare to others.

4.3. Descriptive Statistics for Independent Variables

The descriptive statistics was used to examine the mean and standard deviation. It was needed to determine the employee’s perception to human resource management practices. The table below contains descriptive data (mean and standard deviations) for the six independent variables which are selection and recruitment, career development, training and development, compensation, health and safety and performance management as indicated by the respondents.

Descriptive analysis is used to make a complete picture or profile of the basic component and angles of the whole study. In the descriptive analysis, the unprocessed data collected in the form of a questionnaire was interpreted and analyzed. While making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear. According to Akmaliah, Z (2009), mean score measurement can be used while interpreting the data; and if Mean Score > 3.80, it is considered as high, 3.40-3.79 is considered as moderate and when the mean score is below 3.40, it is considered as low.

Table 4.3 Guideline for Interpreting Quantitative Data

Range	Interpretation
Mean Score > 3.80	High
Mean Score 3.40-3.79	Moderate
Mean score below 3.40	Low

Source: Akmaliah (2009)

Mean: it is similar to average. The mean is calculated when the sum of total values divided by the number of total values in a given sample of the population. Standard Deviation: It is taken to

identify the differences among the variables and the square root of standard deviation shows the variance.

4.3.1 Perception Level of Employee Compensation

Table 4.4: Mean and standard deviation of compensation

Items of Compensation	Mean	SD
I am devoted to my work because I earn more than others who occupy similar positions in other institutions.	3.376	1.136
I am dedicated to my work because of the non-monetary benefits that I receive here are better than those I could get at other organizations	3.4826	1.075
I am proud that my hard work and results-orientation is rewarded in the organization	3.8119	1.093
I am enthusiastic to my work as the salary and benefits I receive in this organization is commensurate with my responsibilities.	3.6706	1.057
I am contented that my compensation is satisfactorily reviewed from time to time.	3.3073	1.055
I am grateful that the rewards and benefits offered are commensurate with the amount and quality of work I do	3.165	1.074
I am keen on my work because the rewards and benefits I am offered are comparable with what the market offer.	3.211	1.056
I am satisfied with the number of annual leave days given by the organization.	3.101	1.094
I stay in this organization because of the educational subsidies given by the organization.	3.6037	.9182
Cumulative of Compensation	3.4143	1.062

Source: SPSS result, 2020

The calculated mean score of I am devoted to my work because I earn more than others who occupy similar positions in other institutions was 3.37 with a standard deviation of 1.13. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am devoted to my work because I earn more than others who occupy similar positions in other institutions was high or above average.

The calculated mean score of I am dedicated to my work because of the non-monetary benefits that I receive here are better than those I could get at other organizations was 3.48 with a standard deviation of 1.07. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am dedicated to my work because of the non-monetary benefits that I receive here are better than those I could get at other organizations was high or above average.

The calculated mean score of I am proud that my hard work and results-orientation is rewarded in the organization was 3.81 with a standard deviation of 1.09. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am proud that my hard work and results-orientation is rewarded in the organization was high or above average.

The calculated mean score of I am enthusiastic to my work as the salary and benefits I receive in this organization is commensurate with my responsibilities was 3.67 with a standard deviation of 1.05. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am proud that my hard work and results-orientation is rewarded in the organization was high or above average.

The calculated mean score of I am contented that my compensation is satisfactorily reviewed from time to time was 3.30 with a standard deviation of 1.05. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am contented that my compensation is satisfactorily reviewed from time to time was high or above average.

The calculated mean score of I am grateful that the rewards and benefits offered are commensurate with the amount and quality of work I do was 3.16 with a standard deviation of 1.07. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am grateful that the rewards and benefits offered are commensurate with the amount and quality of work I do was high or above average.

The calculated mean score of I am keen on my work because the rewards and benefits I am offered are comparable with what the market offer was 3.21 with a standard deviation of 1.05. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am keen on my work because the rewards and benefits I am offered are comparable with what the market offer was high or above average.

The calculated mean score of I am satisfied with the number of annual leave days given by the organization was 3.10 with a standard deviation of 1.09. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am satisfied with the number of annual leave days given by the organization was high or above average.

The calculated mean score of I stay in this organization because of the educational subsidies given by the organization was 3.60 with a standard deviation of .91. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I stay in this organization because of the educational subsidies given by the organization was high or above average.

According to Akmaliah, Z (2009), mean score measurement can be used while interpreting the data; and if Mean Score is between 3.40 -3.79 is considered as moderate. Therefore, in our similar type of research, compensation with mean score 3.41 can be considered as moderate. Accordingly, the overall perceptions of the respondents seem to be moderately satisfied; because the aggregate mean score is greater than 3.40. Therefore, Ethiopia Airlines needs to give better attention for what currently is practicing with respect to the perceived compensation and reward activity.

4.3.2 Perception Level of Employees on Recruitment and Selection

Table 4.5: Mean and standard deviation of recruitment and selection

Items of recruitment and selection	Mean	SD
The ET has clear internal policies and procedures on recruitment and	3.4185	1.32422

selection of employees.		
The ET recruitment and selection process are monitored to ensure fairness and transparency.	3.0185	1.15830
There is proper planning for the recruitment and selection process.	3.1852	1.15482
ET provides equal opportunities to all, irrespective of sex, race, creed, disability, age or marital status.	3.9148	1.13255
ET recruitment and selection are based on professional and academic qualifications	3.3630	1.16074
ET has an integrated recruitment and selection that defines ways of attracting and retaining employees	2.8815	1.17630
The ET recruitment and selection policy are implemented effectively.	3.2519	1.34810
The ET recruitment process is satisfactory.	2.8037	1.11194
Cumulative of recruitment and selection	3.229638	1.195871

Source: SPSS result, 2020

The calculated mean score of The ET has clear internal policies and procedures on recruitment and selection of employees was 3.41 with a standard deviation of 1.32. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of The ET has clear internal policies and procedures on recruitment and selection of employees was above average.

The calculated mean score of The ET recruitment and selection process is monitored to ensure fairness and transparency was 3.01 with a standard deviation of 1.15. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of The ET recruitment and selection process is monitored to ensure fairness and transparency was above average.

The calculated mean score of There is proper planning for the recruitment and selection process was 3.18 with a standard deviation of 1.15. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of There is proper planning for the recruitment and selection process was above average.

The calculated mean score of ET provides equal opportunities to all, irrespective of sex, race, creed, disability, age or marital status was 3.91 with a standard deviation of 1.13. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of ET provides equal opportunities to all, irrespective of sex, race, creed, disability, age or marital status was above average.

The calculated mean score of ET recruitment and selection is based on professional and academic qualifications was 3.36 with a standard deviation of 1.16. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the ET recruitment and selection is based on professional and academic qualifications was above average.

The calculated mean score of ET has an integrated recruitment and selection that defines ways of attracting and retaining employees was 2.88 with a standard deviation of 1.17. The calculated mean score was less than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of ET has an integrated recruitment and selection that defines ways of attracting and retaining employees was low or below average.

The calculated mean score of The ET recruitment and selection policy is implemented effectively was 3.25 with a standard deviation of 1.34. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of The ET recruitment and selection policy is implemented effectively was above average.

The calculated mean score of The ET recruitment process is satisfactory was 2.80 with a standard deviation of 1.11. The calculated mean score was less than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of The ET recruitment process is satisfactory was low or below average.

According to Akmaliah (2009), mean score measurement can be used while interpreting the data; and if Mean Score is below 3.40, it is considered as low. Similarly, in our type of research, recruitment and selection with mean score 3.22 can be considered as low. When we evaluate the overall perceptions of respondents towards recruitment and selection, the aggregate mean score shows 3.22 SD 1.19. Accordingly, the overall perceptions of the respondents seem to be low;

because the aggregate mean score is less than 3.40. Therefore, the Ethiopia airlines should give better attention for what currently is practicing with respect to the perceived requirement and selection activity. This implies that further explanation is needed in this area and definite conclusion cannot be drawn solely based on the survey data.

4.3.3 Perception Level of Employees on Career Development Opportunities

Table 4.6: Mean and standard deviation of career development opportunities

Items of Career Development Opportunities	Mean	SD.
I am given ample opportunities for advancement on my job.	4.68	.648
I am satisfied with my chances for promotions.	4.70	.572
Ethiopian Airlines have a culture which values, supports and rewards learning.	2.13	1.048
Our organization recognizes the career growth needs of its employees.	4.22	.736
I would be very happy to spend the rest of my career with this organization.	3.933	.4130
Ethiopian Airlines has structured career management system.	3.46	1.218
Cumulative of Career Development Opportunities	3.853833	0.7725

Source: SPSS result, 2020

The calculated mean score of I am given ample opportunities for advancement on my job was 4.68 with a standard deviation of .648. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am given ample opportunities for advancement on my job was high or above average.

The calculated mean score of I am satisfied with my chances for promotions was 4.70 with a standard deviation of .572. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am satisfied with my chances for promotions was high or above average.

The calculated mean score of Ethiopian Airlines have a culture which values, supports and rewards learning were 2.13 with a standard deviation of 1.048. The calculated mean score was

less than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of Ethiopian Airlines has a culture which values, supports and rewards learning was low or below average.

The calculated mean score of our organization recognizes the career growth needs of its employees was 4.22 with a standard deviation of .736. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of our organization recognizes the career growth needs of its employees was high or above average.

The calculated mean score of I would be very happy to spend the rest of my career with this organization was 3.93 with a standard deviation of .413. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I would be very happy to spend the rest of my career with this organization was high or above average.

The calculated mean score of The Ethiopian Airlines has structured career management system was 3.46 with a standard deviation of 1.21. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of The Ethiopian Airlines has structured career management system was high or above average.

According to Akmaliah (2009), mean score measurement can be used while interpreting the data; and if Mean Score is > 3.80 , it is considered as high. Similarly, in our type of research, career development opportunities with mean score 3.85 can be considered as high. When we evaluate the overall perceptions of respondents towards career development opportunities, the aggregate mean score shows 3.8. Accordingly, the overall perceptions of the respondents seem to be high; because the aggregate mean score is greater than > 3.80 . Hence, Ethiopia airlines better to maintain for what currently is practicing with respect to the perceived career development opportunities activity.

4.3.4 Perception Level of Employees on Training and Development

Table 4.7: Mean and standard deviation of training and development

Items of Training and Development	Mean	SD.
ET conducts training regularly.	2.99	1.313
My organization conducts training need assessment before conducting any training.	4.40	.690
I am given opportunities to upgrade my knowledge and skills and to improve my performance through continuous training	4.56	.682
Training materials and teaching aids are appropriate to the level and understanding of trainees.	4.60	.586
Training inputs are enough to conduct the training programs of ET from trainers' perspective.	4.13	.730
ET conducts training evaluation after training.	3.41	1.167
The training program is participatory for all employees.	3.80	1.093
The contents of the training programs organized are always relevant to the changing needs of our jobs.	4.52	.684
Cumulative of training and development	4.107778	0.841778

Source: SPSS result, 2020

The calculated mean score of ET conducts training regularly was 2.99 with a standard deviation of 1.31. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of ET conducts training regularly was high or above average.

The calculated mean score of my organization conducts training need assessment before conducting any training was 4.40 with a standard deviation of 0.690. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of my organization conducts training need assessment before conducting any training was high or above average.

The calculated mean score of I am given opportunities to upgrade my knowledge and skills and to improve my performance through continuous training was 4.56 with a standard deviation of 0.682. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am given opportunities to upgrade my knowledge and skills and to improve my performance through continuous training was high or above average.

The calculated mean score of Training materials and teaching aids are appropriate to the level and understanding of trainees was 4.60 with a standard deviation of 0.586. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of Training materials and teaching aids are appropriate to the level and understanding of trainees was high or above average.

The calculated mean score of Training inputs are enough to conduct the training programs of ET from trainers' perspective was 4.13 with a standard deviation of .730. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of Training inputs is enough to conduct the training programs of ET from trainers' perspective was high or above average.

The calculated mean score of ET conducts training evaluation after training was 3.41 with a standard deviation of 1.16. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of ET conducts training evaluation after training was high or above average.

The calculated mean score of the training program is participatory for all employees was 3.80 with a standard deviation of 1.09. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of the training program is participatory for all employees was high or above average.

The calculated mean score of the contents of the training programs organized are always relevant to the changing needs of our jobs was 4.52 with a standard deviation of .684. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of the contents of the training programs organized are always relevant to the changing needs of our jobs was high or above average.

According to Akmaliah (2009), mean score measurement can be used while interpreting the data; and if Mean Score is > 3.80 , it is considered as high. Similarly, in our type of research, training and development with mean score 4.10 can be considered as high. The student researcher evaluates the overall perceptions of respondents towards training and development, the aggregate mean score shows 4.10. Accordingly, the overall perceptions of the respondents seem to be high;

because the aggregate mean score is > 3.80 . Hence, Ethiopia airlines better to maintain for what currently is practicing with respect to the perceived training and development activity.

4.3.5 Perception Level of Employees on Health and Safety

Table 4.8: Mean and standard deviation of health and safety

Items of Health and Safety	Mean	SD.
The contents of the training programs organized are always relevant to the changing needs of our jobs.	3.2946	.84511
ET comply safety and health standards issued under the law.	3.0179	.84876
I am satisfied by health and safety management training.	4.2500	1.00897
ET have safety inspection mechanism.	3.3571	.98509
ET gives due care for incidence of occupational injury and illness.	3.0446	.89431
I am given safe and healthier working environment and working conditions.	3.0357	.93893
Cumulative of Health and Safety	3.333317	0.920195

Source: SPSS result, 2020

The calculated mean score of the contents of the training programs organized are always relevant to the changing needs of our jobs was 3.29 with a standard deviation of 0.845. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of the contents of the training programs organized are always relevant to the changing needs of our jobs was high or above average.

The calculated mean score of ET comply safety and health standards issued under the law was 3.01 with a standard deviation of 0.84. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of ET comply safety and health standards issued under the law was high or above average.

The calculated mean score of I am satisfied by health and safety management training was 4.25 with a standard deviation of 1.00. The calculated mean score was greater than the neutral value

of 3 in a 5 Point-Likert scale. This implies that the level of I am satisfied by health and safety management training was high or above average.

The calculated mean score of ET have safety inspection mechanism was 3.35 with a standard deviation of 0.98. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of ET has safety inspection mechanism was high or above average.

The calculated mean score of ET gives due care for incidence of occupational injury and illness was 3.04 with a standard deviation of 0.894. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of ET gives due care for incidence of occupational injury and illness was high or above average.

The calculated mean score of I am given safe and healthier working environment and working conditions was 3.03 with a standard deviation of 0.93. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of I am given safe and healthier working environment and working conditions was high or above average.

According to Akmaliah (2009), mean score measurement can be used while interpreting the data; and if Mean Score is below 3.40, it is considered as low. Similarly, in our type of research, health and safety with mean score 3.33 can be considered as low. When we evaluate the overall perceptions of respondents towards health and safety, the aggregate mean score shows 3.33. Accordingly, the overall perceptions of the respondents seem to be low; because the aggregate mean score is less than 3.4. Therefore, the Ethiopia airlines should give better attention for what currently is practicing with respect to the perceived health and safety activity. This implies that further explanation is needed in this area and definite conclusion cannot be drawn solely based on the survey data.

4.3.6 Perception Level of Employees on Performance Management

Table 4.9: Mean and standard deviation of performance management

Items of Performance Management	Mean	SD
I have a clear understanding of my performance standards and expectations to successfully deliver on my job.	3.2444	1.13063
My performance is appraised progress and feedback is discussed regularly.	2.9370	1.19467
Performance management practices are participative and transparent	3.0778	1.10653
Performance management plans/goals are reviewed frequently	2.8259	1.11898
Performance evaluation are conducted fairly and I have a clear understanding of how performance evaluation is done.	2.9370	1.21013
Performance management practices are aligned to the organizational strategic goals and objectives.	2.9074	1.06077
Cumulative of Performance Management	2.9882	1.13695

Source: SPSS result, 2020

The calculated mean score of I have a clear understanding of my performance standards and expectations to successfully deliver on my job was 3.24 with a standard deviation of 1.13. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of clear understanding of my performance standards and expectations to successfully deliver on my job was high or above average.

The calculated mean score of my performance is appraised progress and feedback is discussed regularly was 2.93 with a standard deviation of 1.19. The calculated mean score was equivalent to the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of performance is appraised progress and feedback is discussed regularly on average.

The calculated mean score of Performance management practices are participative and transparent was 3.07 with a standard deviation of 1.10. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of Performance management practices is participative and transparent was high or above average.

The calculated mean score of Performance management plans/goals are reviewed frequently was 2.82 with a standard deviation of 1.11. The calculated mean score was equivalent to the neutral

value of 3 in a 5 Point-Likert scale. This implies that the level of Performance management plans/goals are reviewed frequently was on above average.

The calculated mean score of Performance evaluation are conducted fairly and I have a clear understanding of how performance evaluation is done was 2.93 with a standard deviation of 1.21. The calculated mean score was equivalent to the neutral value of 3 in a 5 Point-Likert scale. This implies that the level Performance evaluation are conducted fairly and I have a clear understanding of how performance evaluation is done was on average.

The calculated mean score of Performance management practices are aligned to the organizational strategic goals and objectives was 2.90 with a standard deviation of 1.06. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of advertising media Performance management practices is aligned to the organizational strategic goals and objectives was on average.

According to Akmaliah (2009), mean score measurement can be used while interpreting the data; and if Mean Score is below 3.40, it is considered as low. Similarly, in our type of research, performance management with mean score 2.98 can be considered as low. When we evaluate the overall perceptions of respondents towards Performance management, the aggregate mean score shows 2.988. Accordingly, the overall perceptions of the respondents seem to be low; because the aggregate mean score is less than 3.40. Therefore, the Ethiopia airlines should give better attention for what currently is practicing with respect to the perceived requirement and selection activity.

4.3.7 Perception Level of Employees on Employee Turnover

Table 4.10: Mean and standard deviation of Employee Turnover

Items of Employee turnover	Mean	SD
Spouse relocation affects the employee turnover	3.8853	1.18386
Conflict with immediate supervisor or coworkers have a direct effect on the turnover decision	3.7569	1.19930
Social connectedness and harmony among employees, they tend to turnover	3.7890	1.19579
Flexible working hours and work life imbalance having direct effect on Turnover Decision	3.8211	1.056
Commuting time is an important factor for turnover	3.8394	1.063
The Geographic Location affects your decision for staying in the company	3.7982	1.134
Job Elimination have effect on Turnover	3.5550	1.340
Fringe Benefits offered by the organization is necessary to retain the employees.	3.725	1.145
unfair performance appraisal process has great effect on Employee turnover	3.670	1.8531
Dishonest and unethical leaders affect my Job.	3.730	1.075
Uncaring Leadership for employees affects the retention rate	3.450	1.077
Hostile environment for both the genders has great effect on Turnover.	3.406	1.020
Cumulative of Employee Turnover	3.7021	1.19517

Source: SPSS result, 2020

The calculated mean score of Spouse relocation affects the employee turnover was 3.88 with a standard deviation of 1.18. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of Spouse relocation affects the employee turnover was high or above average.

The calculated mean score of Conflict with immediate supervisor or coworkers have a direct effect on the turnover decision was 3.75 with a standard deviation of 1.19. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level

of Conflict with immediate supervisor or coworkers have a direct effect on the turnover decision was high or above average.

The calculated mean score of Social connectedness and harmony among employees, they tend to turnover was 3.78 with a standard deviation of 1.19. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the Social connectedness and harmony among employees, they tend to turnover was high or above average.

The calculated mean score of Flexible working hours and work life imbalance having direct effect on Turnover Decision was 3.82 with a standard deviation of 1.05. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the Flexible working hours and work life imbalance having direct effect on Turnover Decision was high or above average.

The calculated mean score of Commuting time is an important factor for turnover was 3.83 with a standard deviation of 1.06. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the Commuting time is an important factor for turnover was high or above average.

The calculated mean score of The Geographic Location affects your decision for staying in the company was 3.79 with a standard deviation of 1.13. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the Amalia Geographic Location affects your decision for staying in the company was high or above average.

The calculated mean score of Job Elimination have effect on Turnover was 3.55 with a standard deviation of 1.34. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the level of advertising media was high or above average.

The calculated mean score of Fringe Benefits offered by the organization is necessary to retain the employees was 3.72 with a standard deviation of 1.14. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the Fringe Benefits offered by the organization is necessary to retain the employees was high or above average.

The calculated mean score of unfair performance appraisal process has great effect on Employee turnover was 3.67 with a standard deviation of 1.85. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the unfair performance appraisal process has great effect on Employee turnover was high or above average.

The calculated mean score of Dishonest and unethical leaders affect my Job was 3.73 with a standard deviation of 1.07. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the Dishonest and unethical leaders affect my Job was high or above average.

The calculated mean score of Uncaring Leadership for employee's affects the retention rate was 3.45 with a standard deviation of 1.07. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the Uncaring Leadership for employees affects the retention rate was high or above average.

The calculated mean score of Hostile environments for both the genders has great effect on Turnover was 3.40 with a standard deviation of 1.02. The calculated mean score was greater than the neutral value of 3 in a 5 Point-Likert scale. This implies that the Hostile environment for both the genders has great effect on Turnover was high or above average.

According to Akmaliah (2009), mean score measurement can be used while interpreting the data; and if Mean Score is between 3.40-3.79 is considered as moderate. As mentioned above mean score measurement can be used while interpreting the data. Therefore, in an explanatory type of research if mean score is between 3.40-3.79 it is considered as moderate. Similarly, in our similar type of research, employee turnover with mean score 3.70 can be considered as moderate. When we evaluate the overall perceptions of respondents towards employee turnover, the aggregate mean score shows 3.70 SD 1.19. Accordingly, the overall perceptions of the respondents seem to be moderate; because the aggregate mean score is greater than 3.40.

4.4. Results of Inferential Statistics

This part shows the results of the inferential statistics conducted using the SPSS 20.0. To achieve the objective of this study indicated earlier, Pearson's Product Moment Correlation Coefficient, and multiple regression analysis were computed. Using these statistical tools.

4.4.1 The Relationship between human resource management and employee turnover

Correlation is a statistical method used to determine whether a relationship between variables exists and to determine whether two or more variables are related and to determine the strength of the relationship between or among the variables are used Allan, (2009). If the correlation result lies between -1 and 0, the two variables are negatively related. But if the correlation result of the two variables lies between 0 and 1, the two variables are positively related.

Table 4.11: Correlation between Dimensions Human Resource Practices and Employee Turnover

Independent Variables		Employee Turnover
Compensation	Pearson Correlation	.408**
	Sig.(2-tailed)	.000
Selection and recruitment	Pearson Correlation	.510**
	Sig.(2-tailed)	.000
Performance Management	Pearson Correlation	.647**
	Sig.(2-tailed)	.000
Career and development	Pearson Correlation	.279**
	Sig.(2-tailed)	.000
Health and safety	Pearson Correlation	.769*
	Sig.(2-tailed)	.000
Training and Development	Pearson Correlation	.500*
	Sig.(2-tailed)	.000

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

Source: SPSS result, 2020

As seen from the results in Table 4.8, compensation has a positive and significant correlation with employee turnover ($r = .408^{**}$, $p < 0.01$). Thus, there is a positive correlation of compensation with employee turnover and indicates that compensation leads to employee turnover among employees of Ethiopian airlines.

As seen from the results in Table 4.8, selection and recruitment has a positive and significant correlation with employee turnover ($r = .510^{**}$, $p < 0.01$). Thus, there is a positive correlation of

selection and recruitment with employee turnover and indicates that selection and recruitment lead to employee turnover among employees of Ethiopian airlines.

As seen from the results in Table 4.8, performance management has a positive and significant correlation with employee turnover ($r = .647^{**}$, $p < 0.01$). Thus, there is a positive correlation of performance management with employee turnover and indicates that performance management leads to employee turnover among employees of Ethiopian airlines.

As seen from the results in Table 4.8, career and development has a positive and significant correlation with employee turnover ($r = .279^{**}$, $p < 0.01$). Thus, there is a positive correlation of career and development with employee turnover and indicates that career and development leads to employee turnover among employees of Ethiopian airlines.

As seen from the results in Table 4.8, health and safety has a positive and significant correlation with employee turnover ($r = .769^{**}$, $p < 0.01$). Thus, there is a positive correlation of health and safety with employee turnover and indicates that health and safety leads to employee turnover among employees of Ethiopian airlines.

As seen from the results in Table 4.8, training and development has a positive and significant correlation with employee turnover ($r = .500^{**}$, $p < 0.01$). Thus, there is a positive correlation of training and development with employee turnover and indicates that training and development leads to employee turnover among employees of Ethiopian airlines.

4.4.2 Assumption Testing

When someone choose to analyze the data using linear regression, part of the process involves checking to make sure that the data that one wants to analyze can actually be analyzed using linear regression. Therefore, it is needed to do this because it is only appropriate to use linear regression if the required data "passes" three assumptions that are required for linear regression to give a valid result. Let us look at whether the following assumptions are met or not. One can check assumptions using SPSS Statistics and linearity assumptions should be checked first, before moving into others assumptions.

4.4.2.1 Multicollinearity

Multicollinearity refers to the situation in which the independent variables are highly correlated in a way that has undesirable implication on the outcome of regression analysis. According to Robert (2006), if Collinearity is discovered then one can either remove one of the variables or create a new variable that combine the previous two that were highly inter correlated because when the predictor variables are highly correlated, they share essentially the same information and together, they may explain a great deal of the dependent variable, but may not individually contribute significantly to the model. Thus, the impact of multicollinearity is to reduce any individual independent variable's predictive power by the extent to which it is associated with the other independent variables (Beyan, 2014).

Before conducting the multiple regression analysis, the researcher examined the result of multiple correlations among the independent variables (multicollinearity). The Variance Inflation Factor (VIF) and tolerance are the widely used measures of the degree of multicollinearity of the independent variable with the other independent variables in a regression model. According to the rule of thumb, a tolerance of less than 0.10 and VIF of 10 and above indicate multicollinearity (O'Brien, 2007). Accordingly, Tolerance and Variance Inflation Factor (VIF) values were calculated to check multicollinearity and the result is presented on table 4.9 below. The Tolerance value is an indication of the percentage of variance in the predictor that cannot be accounted for by the other predictors implying the fact that very small values indicate overlap or sharing of predictive power (Robert, 2006).

Table 4.12: Multicollinearity test

Collinearity Statistics	Tolerance	VIF
Compensation	.741	1.016
Selection and recruitment	.794	1.045
Performance management	.914	1.094
Career development	.719	1.037
Health and safety	.820	1.094
Training and development	.610	1.037

Source: SPSS result, 2020

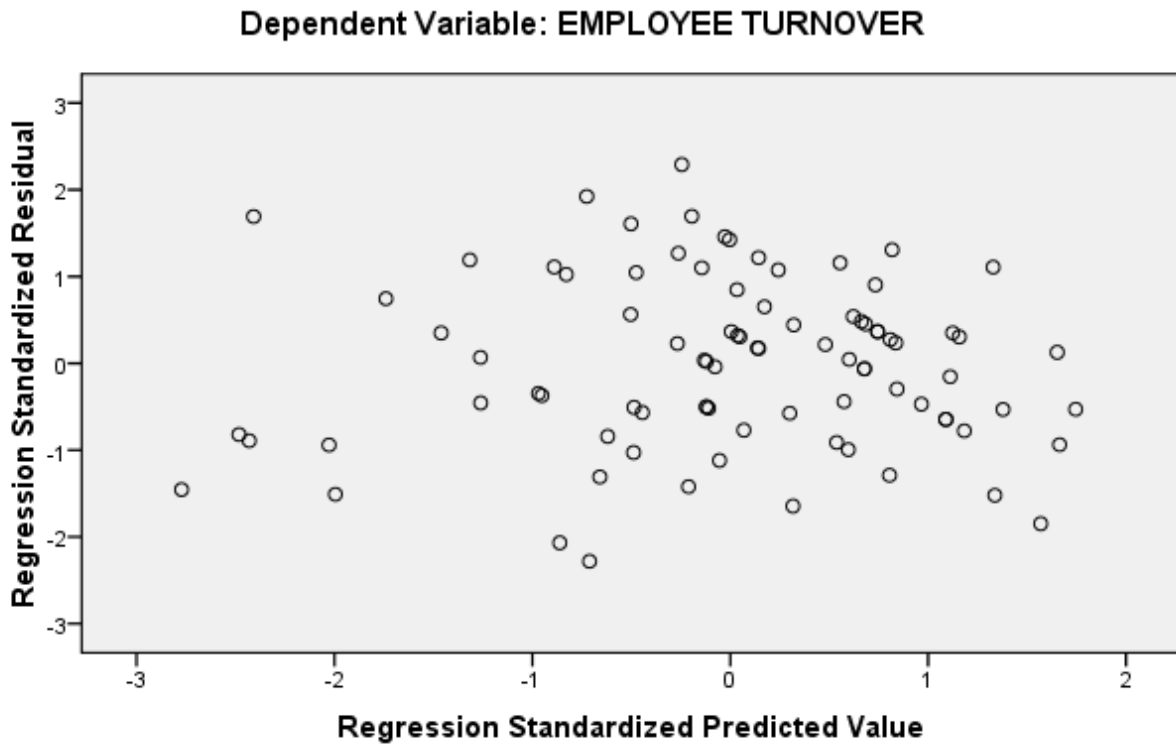
All other things equal, researchers desire higher levels of tolerance, as low levels of tolerance are known to affect adversely the results associated with a multiple regression analysis. As can be seen on the above table the tolerance level for compensation is 0.741, for selection and recruitment is 0.794, for performance management is 0.914, for career development is 0.719, for health and safety is 0.820 and training and development is 0.610 which shows all variables have a tolerance level of above 0.10 which implies that there is low multicollinearity. Meaning the Tolerance values for all the independent variables are within the acceptable level of greater than 0.1, the VIF values are also less than the cut of value of 10. If the VIF values of independent variables are beyond 10, then it is suggested that further investigation is required (Robert, 2006).

4.4.2.2 Normality

An assessment of the normality of data is a prerequisite for many statistical tests, as normal data is an underlying assumption in parametric testing. Normal probability plot is a graphical technique to identify substantive departures from normality. In a normal probability plot of the regression, standardized results lie in a regularly straight diagonal line from bottom left to top right. This would suggest no major deviation from normality.

The assumption of normality shows the distribution of the errors for any given combination of values on the predictor variables (independent variables) (Matt, Carlos, and Deson, 2013). One way of measuring the normality of distribution is through checking the level of Skewness and kurtosis. As it is shown in table, the results of human resource management, against the employee turnover were within the acceptable range of normality. Multiple regressions assume that variables have normal distributions. This means that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve. Hence the normality assumptions are satisfied for the obtained data (Field, 2006).

Scatterplot



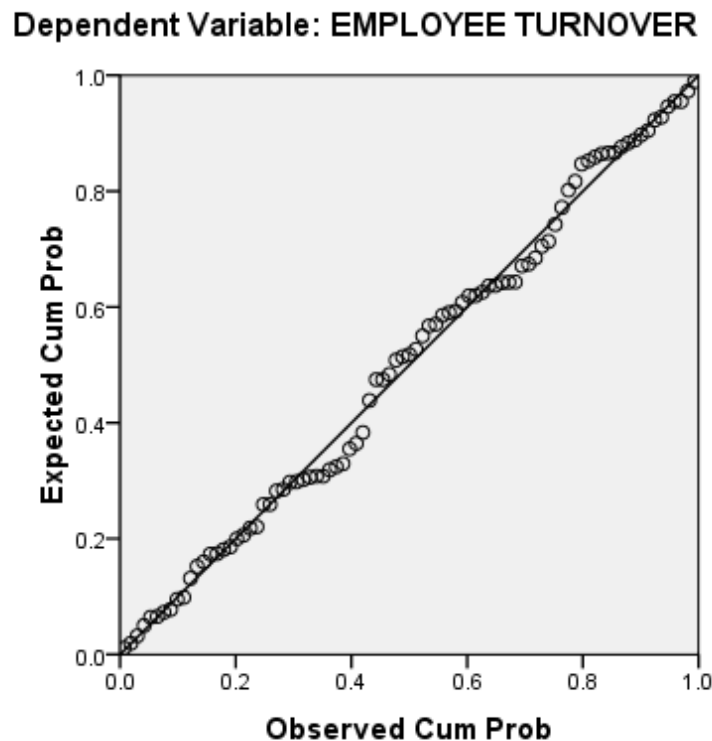
Source: SPSS result, 2020

4.4.2.3 Linearity

Test for linearity is necessary because of correlation, regression and others members of the General Linear Model (GLM) assumes linearity. The study checks for patterns in scatter plots of human resource management (selection and recruitment, career development, training and development, compensation, health and safety and performance management) against employee turnover if they have linear relation and the assumption have met or not. The scatter plot in figure below indicated that the dimensions of human resource management and employee turnover have linear relationship. In regression as a rule of thumb, an indicator of possible linearity is when the standard deviations of the residual exceed the standard deviations of the dependent. Therefore, as residual statistics in descriptive statistics table below shows that the standard deviation of the residual is exceeding the standard deviation of the dependent variable

(employee turnover). Therefore, there is a linear relationship between human resource management variables and employee turnover.

Normal P-P Plot of Regression Standardized Residual



4.3.2. Multiple Regression

According to Pallant (2005), multiple regressions is not just one technique but a family of techniques that can be used to explore the relationship between one continuous dependent variable and a number of independent variables or predictors (usually continuous). Multiple regression analysis was employed to examine the effect of human resource management (selection and recruitment, career development, training and development, compensation, health and safety and performance management) on employee turnover. Multiple regression analysis was chosen because it helps to predict the linear relationship of a dependent variable. Here, the dependent variable is regressed and independent variable is regressed or, which will show the influence on the relationship of these variables by one another. Before explaining the table, the effects of values of the coefficient, R- square are discussed briefly.

Table 4.13: Regression of human resource management dimensions on employee turnover

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(constant)	2.427	.197		12.335	.000
Compensation	(.347)	.031	(.392)	11.138	.000
Selection and recruitment	(.172)	.025	(.202)	6.738	.001
Performance management	(.340)	.101	(.541)	.030	.000
Career development	(2.596)	.165	(.414)	15.794	.000
Health and safety	(.553)	.095	(.542)	2.699	.009
Training and development	(.942)	.377	(.153)	2.500	.015

Dependent Variable: Employee turnover

Independent Variables: selection and recruitment, career development, training and development, compensation, health and safety and performance management.

Source: SPSS result, 2020

Table 4.10 also reveals that the weight of beta analysis result shows that the independent variables have significant contribution to the prediction model. This signifies that;

- for every additional point or value in compensation one could predict a decrease of .392 on the respect of employee turnover that other variables remaining constant,
- for every additional point or value in selection and recruitment one could predict a decrease of .202 on the respect of employee turnover that other variables remaining constant,
- for every additional point or value in performance management one could predict a decrease of .541 on the respect of employee turnover that other variables remaining constant,
- for every additional point or value in career development one could predict a decrease of .414 on the respect of employee turnover that other variables remaining constant,
- for every additional point or value in health and safety one could predict a decrease of .542 on the respect of employee turnover that other variables remaining constant, and

- for every additional point or value in training and development one could predict a decrease of .153 on the respect of employee turnover that other variables remaining constant.

Therefore, the regression model would be:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + e$$

$$Y = 2.427 - 0.392X_1 - 0.202X_2 - 0.541X_3 - 0.414X_4 - 0.542X_5 - 0.153X_6 + e$$

ANOVA

Table 4.14: Analysis of variance

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	210.000	4	52.500	43.114	.000 ^a
Residual	10.976	285	.039		
Total	220.977	289			

a. Predictors: (Constant), selection and recruitment, career development, training and development, compensation, health and safety and performance management

b. Dependent Variable: Employee Turnover

Source: SPSS result, 2020

According to table 4.11 the analysis of variance (ANOVA) for these data, if the F ratio is large and probability is less than 0.05 then it is termed statistically significant (Saunders, 2012). Thus, the F-statistic of each independent variables is 43.114, which is more than 4 this indicates that the model is overall good fit and significant at $p < 0.05$. Therefore, it can be concluded that the regression model overall predicts employee turnover significantly well. ANOVA (Analysis of variance), was employed to compare whether the mean of one dependent variable differ significantly across the categories of another independent variables. The ANOVA table provided, the result of the test of significance for R and R² using an F-statistic. Since the result of the test is significant, with P-value below 0.01, that R² is significantly different from zero and there is a relationship between the independent variables (the factors) and dependent variable (employee turnover) in the population (Field, 2006).

Model Summary

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.895 ^a	.750	.741	.19625

- a. Predictors: (Constant),
- b. Selection and recruitment, career development, training and development, compensation, and health and safety and performance management

Source: SPSS result, 2020

The table shows the variation of variables used in the analysis. R-square which is the coefficient of determinant tells how much variation is taking place in employee turnover (dependent variable) due to selection and recruitment, career development, training and development, compensation, health and safety and performance management (independent variables). When the table is analyzed, it depicts that the value of R-square is 0.750, that means 75% change taking place in employee turnover is due to the selection and recruitment, career development, training and development, compensation, health and safety and performance management.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of Findings

The following findings are drawn based on the cumulative result of descriptive and inferential analysis.

- Regarding the compensation cumulative mean is 3.414 most of the respondents were moderately agreed and this means they are somehow agreed with the properly compensation practices.
- The career development opportunities cumulative mean shows 3.85 so it indicates most of the respondents are strongly agreed with the opportunity for employees to continuously be a part in the various activities of Ethiopian airlines that develops employees.
- The cumulative mean of health and safety is 3.33. So that the majority of the respondents of the ET are relatively somehow agreed with the health and safety. This indicates that health and safety are used to refer occupational safety and health administration to ensure safe and healthful working conditions for employees.
- Regarding the performance management cumulative mean is 2.98. Most of the respondents were disagreed and this means they are disagreed with the proper performance management

practices. Therefore, in order to have better performance management system the ET ought to have filled the benefits that Ethiopian airlines offers to employees to retain people who are already working in the organization.

- Regarding the employee turnover cumulative mean is 3.70. Most of the respondents were moderately agreed and this means the entry and exit of individuals into and out of the workforce of an organization over a specific period of time. Exit from an organization can take the form of resigning, retirement, dissimilar or death.

5.2. Conclusion

- Therefore, it can be concluded that the results revealed that the selected human resource management practices (compensation, training and development, performance management, recruitment and selection, career development and health and safety) are in fact positively correlated with employee turnover. These results are arrived at by using the Pearson correlation result which all the variables value was between 0 and 1.
- Assumption testing also showed that there is no multicollinearity problem, through checking the level of Skewness and kurtosis the result of all variables against employee turnover is within the acceptable range of normality and also the selected variables have showed linear relationship exist with employee turnover.
- Proceeding to multiple regression the results revealed that the human management practices, compensation, training and development, performance management, recruitment and selection, career development and health and safety, have negative relationship with the dependent variable employee turnover. The increase in the independent variable other things remaining constant will lead to the decrease of the dependent variable.
- The regression analysis also revealed that from all the variables health and safety is the main contributor to employee turnover with standardized coefficient Beta of 0.542. the second most contributor to employee turnover being performance management with standardized

coefficient beta of 0.541. Coming after being career development with Beta of 0.414, Compensation with Beta of 0.392, selection and recruitment with Beta of 0.202 and lastly training and development with Beta of 0.153. The model summary showed us that 75% change taking place in employee turnover is due to the selection and recruitment, career development, training and development, compensation, health and safety and performance management and other unexplored factors may limit employee turnover which accounts for about 25%.

- From these findings we can understand that human resource management practices have an immense relationship and contribution to employee turnover. In order to control or decrease employee turnover Ethiopian Airlines has to efficiently and effectively use these and other practices. Not doing so from the Ethiopian Airlines side might lead to increased employee turnover thereby causing loss of productivity and submerge the organization in unnecessary cost.

5.3. Recommendation

The current study provides the following recommendations.

- ☞ Ethiopian airlines should be conscious about skilled and talented manpower and current competition among many organizations particularly aviation industry to take this skilled and talented manpower.
- ☞ Ethiopian Airlines should focus on the human resource management practices that are more prominent. Health and safety being the most contributor to employee turnover managers need to understand the business and its inherent hazards and risks. This includes regularly checking all equipment and tools and reviewing how the employees are carrying out their work. This can be done by professional health and safety officer. Once the risks are identified all concerned should work towards controlling or eliminating them by using program of measures, controls and processes which should be clearly documented to reduce the risks. Those documents should also be disseminated to the workforce. If the documents don't suffice trainings should also be provided continuously to keep health and safety front of mind and avoid complacency.

- ☞ For the second contributor which is performance and management it is recommended that managers define and communicate company goals and performance objectives so that employees meet company goals. Utilizing a performance management software could also make the process easy and increase employee engagement. Another area to work on is offer frequent performance feedback as communicating the company goals only is not enough there should be an open channel where employees give feedback. Performance management could also be improved by using peer reviews which help employees to work together, build better communication, and assess where they can improve themselves while watching their colleagues. Performance management should also be accompanied by preemptive management and recognition. This simply means that your employees always know what is expected of them so there is never any guesswork or need for consequences in the workplace.

- ☞ On career development Ethiopian Airlines is recommended to set and communicate clear goals as to what is expected from each position so as employees could fill it appropriately. Another strategy to use could be creating an open feedback loop where timely, high-quality feedback, whether it's positive or negative, will provide employees with better understanding of where their talents create the most value. The ability to listen to honest feedback and adjust accordingly will go a long way towards increasing the employees' value to the organization. Managers are also recommended to motivate employees to embrace new challenges.

- ☞ In regards to compensation Ethiopian Airlines is recommended to make budget allocation for the different needs of employees it could be student loan repayment, onsite health care several others. Another strategy to use could be to develop salary ranges to ensure employee pay is competitive with other organizations in the same industry. Due to market change it is also important to make salary audits to ensure salary ranges reflect current compensation trends in a particular industry.

- ☞ As employees are hired after passing the recruitment and selection process it is recommended that Ethiopian Airlines human resource management team identify which possible candidate

are best fit to that exact position. Not doing so could lead to unnecessary costs incurred to go to the same process.

- ☞ The last human resource management practice that Ethiopian Airlines management should work on is training and development. To improve these aspects human resource and also line managers should work together to analyze training and development needs for the different offices. Based on the needs they should identify skill gaps based on the job description and the skills the position requires. As there are huge number of employees the training and development should be prioritized, planned and deliver it accordingly.

- ☞ As the human resource management practices are inversely related to employee turnover improving them would mean minimizing employee turnover. The above-mentioned strategies if utilized properly would improve the different aspects of human resource management thereby enabling Ethiopian Airlines to retain highly skilled and experienced employees.

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Questionnaire

JIMMAUNIVERSITY
School of Graduate Studies
MBA Program

Dear Participant:

The intent of this questionnaire is to explore information regarding the *“Effect of human resource management practice on employee turnover the case of Ethiopian airlines”* and to conduct research for the partial fulfillment of Masters of Business Administration at Jimma University. The questionnaires are distributed to the Ethiopian airlines. Therefore, your honest and genuine participation by responding to the questions is highly appreciated. Your answers are completely confidential. Your name will not be written on this form, and will never be used in connection with any of the information you tell me.

Thank you in advance for your support and participation.

With best regards

Part 1: General information filled by ET employees

1. **Gender:** Male Female
2. **Working Experience:** Less than 3 year 3-5 year 6-8 year More than 8 yrs
3. **Education level:** PhD Maters Degree Diploma Grade 12 & below

Part 2: Please indicate your level of agreement (whether you agree or disagree) with each statement using the scale below as a guide: put (√) on your selection.

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

	SD (1)	D (2)	N (3)	A (4)	SA (5)
Compensation					
I am devoted to my work because I earn more than others who occupy similar positions in other financial					

institutions.					
I am dedicated to my work because of the non-monetary benefits that I receive here are better than those I could get at other organizations					
I am proud that my hard work and results-orientation is rewarded in the organization					
I am enthusiastic to my work as the salary and benefits I receive in this organization is commensurate with my responsibilities.					
I am contented that my compensation is satisfactorily reviewed from time to time.					
I grateful that the rewards and benefits offered are commensurate with the amount and quality of work I do					
I am keen on my work because the rewards and benefits I am offered are comparable with what the market offer.					
I am satisfied with the number of annual leave days given by the organization.					
I stay in this organization because of the educational subsidies given by the organization.					
Recruitment and Selection					
The ET has clear internal policies and procedures on recruitment and selection of employees.					
The ET recruitment and selection process are monitored to ensure fairness and transparency.					
There is proper planning for the recruitment and selection process.					
ET provides equal opportunities to all, irrespective of sex, race, creed, disability, age or marital status.					
ET recruitment and selection are based on professional and academic qualifications					
ET has an integrated recruitment and selection that defines					

ways of attracting and retaining employees					
The ET recruitment and selection policy are implemented effectively.					
The ET recruitment process is satisfactory.					
Career Development Opportunities					
I am given ample opportunities for advancement on my job.					
I am satisfied with my chances for promotions.					
Ethiopian Airlines have a culture which values, supports and rewards learning.					
Our organization recognizes the career growth needs of its employees.					
I would be very happy to spend the rest of my career with this organization.					
Ethiopian Airlines has structured career management system.					
Training and Development					
ET conducts training regularly.					
My organization conducts training need assessment before conducting any training.					
I am given opportunities to upgrade my knowledge and skills and to improve my performance through continuous training					
Training materials and teaching aids are appropriate to the level and understanding of trainees.					
Training inputs are enough to conduct the training programs of ET from trainers' perspective.					
ET conducts training evaluation after training.					
The training program is participatory for all employees.					
The contents of the training programs organized are always relevant to the changing needs of our jobs.					

Health and Safety					
The contents of the training programs organized are always relevant to the changing needs of our jobs.					
ET comply safety and health standards issued under the law.					
I am satisfied by health and safety management training.					
ET have safety inspection mechanism.					
ET gives due care for incidence of occupational injury and illness.					
I am given safe and healthier working environment and working conditions.					
Performance Management					
I have a clear understanding of my performance standards and expectations to successfully deliver on my job.					
My performance is appraised progress and feedback is discussed regularly.					
Performance management practices are participative and transparent					
Performance management plans/goals are reviewed frequently					
Performance evaluation are conducted fairly and I have a clear understanding of how performance evaluation is done.					
Performance management practices are aligned to the organizational strategic goals and objectives.					
Employee turnover					
Spouse relocation affects the employee turnover					
Conflict with immediate supervisor or coworkers have a direct effect on the turnover decision					
Social connectedness and harmony among employees, they					

tend to turnover					
Flexible working hours and work life imbalance having direct effect on Turnover Decision					
Commuting time is an important factor for turnover					
The Geographic Location affects your decision for staying in the company					
Job Elimination have effect on Turnover					
Fringe Benefits offered by the organization is necessary to retain the employees.					
unfair performance appraisal process has great effect on Employee turnover					
Dishonest and unethical leaders affect my Job					
Uncaring Leadership for employees affects the retention rate					
Hostile environment for both the genders have great effect on Turnover.					

Thank You so Much!!