# College of Business and Economics Department of Management EMBA Program

The Effects of Job Satisfaction on Employees' Turnover Intention:
The case of ethio telecom

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The Effects of Job Satisfaction on Employees' Turnover Intention:

The case of ethio telecom

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# Addis Ababa University College of Business and Economics Department of Management EMBA

This is to certify that the research project prepared by Wondirad Bitew Tirro entitled: "The Effects of Job Satisfaction on Employees' Turnover Intention: The case of ethio telecom in Addis Ababa". Submitted in partial fulfillment of the requirements for the Degree of Executive Masters of Business Administration in Management complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

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Approved by: Board of Examiners

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# **DECLARATION**

I hereby declare that this research project entitled "The effect of job satisfaction on employees' turnover intention in the case of ethio telecom "is my original work. In compliance with internationally accepted practice, I have dully acknowledged and refereed all materials used in this work.

Declared by: Wondirad Bitew	
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# STATEMENT OF CERTIFICATION

This is to certify that Wondirad Bitew has carried out a study on the topic entitled "The Effects of Job Satisfaction on Employees' Turnover Intention: The case of ethio telecom" under my supervision and deemed to fulfill the minimum requirement for partial fulfillment for the award of Master of Executive Business Administration.

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# **ACRONYMS**

ET ethio telecom

CAAZ Central Addis Ababa Zone

EAAZ East Addis Ababa Zone

NAAZ North Addis Ababa Zone

SAAZ South Addis Ababa Zone

SWAAZ South West Addis Ababa Zone

WAAZ West Addis Ababa Zone

POS Point of Sales

HQ Head Quarter

HR Human Resource

IS Information System

SPSS Statistical Package for Social Science

IV Independent Variable

DV Dependent Variable

HRD Human Resource Division

HRTDD Human Resource Training and Development Department

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# Abstract

The main purpose of the study was to examine the effects of job satisfaction on employees' turnover intention of ethio telecom. The study employed descriptive survey method. The data used were primary and secondary data. The sampling method was purposive and simple random sampling. The study used close ended self-administered questionnaire which is designed to collect quantitative data. The questionnaire design includes 4 items of demography, 14 dimensions of job satisfaction with 56 items and turnover intention with 4 items. Independent and dependent variables' items utilized five Point Likert-scales. A total of 371 questionnaires were administered and 321were analyzed with a response rate of 86.52%. The reliability and validity test were done before analyzing the data. Data analysis was done by descriptive statistics, correlation and regression analysis using SPSS 20(Statistical Package for Social Science). Ten factors of job satisfaction; achievement, recognition, responsibility, advancement, growth, compensation, work conditions, job security, status and communication were found low employee satisfaction at ethio telecom. In addition three factors; supervision, co-workers, and Policies were moderate level of satisfaction. The study also found ethio telecom employees have moderate level of intention to leave the company. The other finding was that all factors of job satisfaction except job status have negative relationship with turnover intention. Besides this, all factors of job satisfaction were found to be significantly associated with turnover intention except policy and job status. Furthermore, the study found that all factors of job satisfaction explained 32.2% of turnover intention. Since this model explains only 32.2% of the dependent variable that reveals the model is weak. Among these predictors; achievement, Compensation, job security, and Supervision have contributed relatively high impact to the variation of turnover intention. Therefore, to increase employee satisfaction level and to reduce turnover intention the policy makers and/or ethio telecom management must focus to improve the factors of job satisfaction that have high impact on turnover intention.

**Key Words:** ethio telecom, job satisfaction, factors of job satisfaction, turnover intention.

# **CHAPTER ONE**

# INTRODUCTION

# 1.1. Background of the Study

Many organizations have now recognized that human resource plays an important role in gaining competitive advantage in today's highly competitive global business environment. While all aspects of managing human resource are important, employee retention continues an essential human resource management activity that helps organizations in their quest to achieve their goals and objectives (Mello, 2006).

Consequently, managing in a rapidly changing world and anticipating threatening challenges on the horizons are part of the survival of every organization. Therefore, it is important for organizations to be well informed in their employees' satisfaction and engagement levels to retain and nurture key performers in a dynamic business climate. Retention strategies aim to ensure that key people stay with the organization and that wasteful and expensive level of employee turnover are reduced (Armstrong, 2006).

Managing and retaining important human resource is prominent for organizational effectiveness. Moreover, losing key talent and human capital when valuable employees voluntarily decide to leave the organization can be destructing for an organization. For that reason, effectively attracting, developing, managing, motivating and retaining committed employees have become a critical success factor for sustained organizational performance (Spagnoli & Caetano, 2012).

What makes an employee intend to leave are always become the crucial question for any company. Several studies have examined job satisfaction as an antecedent of turnover intentions (Moore and Burke, 2002; Mobley et al, 1977; Samuel E.M., 2012; Medina, 2012; Wright and Bonett, 2007; Saeed, Waseen, Sikander and Rizwan, M, 2014; Raddaha, et al 2012; Kanwal and Majid, 2013; Ghiselli et al, 2001; Mahdi et al, 2012). For Moore and Burke (2002), job satisfaction is one of the factors that contribute to people intention to quit their jobs.

According to Wright and Bonett (2007), employees who are satisfied are more willing to stay at their jobs, being more productive and working towards achieving their organization's goals. Similarly, Barak et al (2001) also believes that job satisfaction is one of the primary reasons for employees to quit their jobs in an organization. Therefore, employee job satisfaction affects turnover rate in organizations as it is closely linked to turnover intention.

According to Hertzberg et al (1959), Hertzberg's two factor Theory is among those theories which may affect the employee's behavior. The theory comprises of two main factors called hygiene or extrinsic factors and motivators or intrinsic. This theory shows how both factors could affect employee's job satisfaction or dissatisfaction level. Employee job satisfaction evaluated in accordance to intrinsic and extrinsic rewards that have a direct impact on employee job satisfaction. Based on Herzberg's Two Factors theory employee can feel satisfied if his intrinsic rewards or motivators are fulfilled and this intrinsic rewards are related to job content like autonomy, skill utilization, self-fulfillment and self-growth, feelings of purpose, variety, while extrinsic rewards or hygiene factors are related to the job context affects employees level of dissatisfaction such as pay, promotion, the work itself, supervision, working conditions and company policy. According to Egan et al (2004), each employee appraises his job satisfactions based on his personal expectations of fulfillment to these intrinsic and extrinsic which expects to be fulfilled.

Researchers have revealed a negative relationship between job satisfaction (intrinsic & extrinsic) and turnover intention within different organizational environments. Mahdi et al (2012) examined the impact of job satisfaction on employees turnover intention revealed that there is an inverse relationship between both forms of job satisfaction (intrinsic and extrinsic satisfaction) and employees' turnover intention. Madina (2012) has also found that job satisfaction is inversely correlated with a lower turnover intention and the lower turnover has a significant impact on increasing organizational productivity and performance.

Ethio telecom is among the fastest growing huge monopoly company and one of the "Big-5" groups of state owned company in Ethiopia, along with Ethiopian Airlines, the Commercial Bank of Ethiopia, Ethio-Insurance, and the Ethiopian Shipping Line. The company is an integrated telecommunications services provider in Ethiopia, providing internet and telephone services (ethio telecom magazine, 2014). Ethio telecom makes a key contribution to a country

GDP and employment opportunity. According to the company's annual report for 2017/18 budget year, the company has more than 20,000 employees (13,326 numbers of permanent and 7,000 numbers of contract) employees.

Hence, to provide an integrated national telecom service for sustainable growth of the country. It is important for the company to be well competent in its employees' satisfaction levels to retain and nurture key performers. Therefore, this particular study aims at examining the effects of job satisfaction (expressed in terms of achievement, recognition, responsibility, advancement, growth opportunities, the work itself, compensation/pay, supervision, work conditions, coworkers, policies, job security, status and communication) on employees' turnover intention in ethio telecom.

# 1.2. Statement of the Problem

It has been found that satisfied employees are more likely to be committed and productive employees (Tessema et al., 2013). As a result every organization is giving higher priority in order to keep their employees with satisfaction by providing several facilities which improve satisfaction, reduces dissatisfaction and turnover intention. If an employee is not satisfied with the job there are chances for absenteeism, turnover and lower productivity (Mohd et al., 2013).

According to Spector (1997), there is an association between job satisfaction and turnover intention of employees; employees with low satisfaction are therefore more likely to quit their jobs. When the employees are not satisfied with their job and organization do have not trust in their employer's the employee intention towards turnover will be greater, they will leave the organization and the duration of their job will be smaller(Jeffrey, 2007).

Furthermore, if there is a considerable job dissatisfaction, likelihood of turnover is very high. It is advisable and important to manage job satisfaction levels as it might trigger turnover and turnover intentions (Luthans, 1995). According to Cohen and Golan (2007), job satisfaction is a major contributor to turnover. They believed that, if employees are not satisfied at work, this leads to turnover. Turnover is very costly and leads to lower productivity. It is also argued that, if the environment is not conducive for the work this lead to turnover intention. Rhodes and Steers (1978) named job attitude as a fundamental place in their model. They predict that the effect of other job related and organizational variables on absence would work their way through job

satisfaction. They also revealed that people who displeasure their jobs will try to find another job, verses people who like their jobs, who would prefer to stay with the same employer.

Many researchers identified a number of gaps by reviewed the theoretical and empirical literature from geographical, methodologies used, time as well as the nature of organization studied. Despite the relevance of the study, the study will be conducted in Ethiopia where geographical attributes, political inclination and socio- cultural values differs from other countries. Despite the fact that, many studies were conducted to explore the influences of employees' job satisfaction on turnover intention in different sectors of the economy, most of them were carried out in other countries. Few studies were carried out to investigate the effects of job satisfaction on the employees' turnover intention in African countries including Ethiopia. Some of these studies were done by Mahdi et al, (2012), Adeboye T. A. et al (2012), Samuel E. M. et al (2012), Santript S. et al (2013), Ali N. and Tessema et al., 2013

Furthermore, as far as the researcher knowledge there were no studies done included all job satisfaction factors that the researcher will use for this study. This study aimed to fill gaps left by the previous researches specifically in evaluating the effects of employees' job satisfaction (express as achievement, recognition, responsibility, advancement, growth opportunities, the work itself, compensation/pay, supervision, work conditions, coworkers, policies, job security, status and communication) on turnover intentions in the telecommunication sector, on ethio telecom employees'.

The company has done employee satisfaction survey on some satisfaction factors such as satisfaction in the company ,working condition ,supervisor ,salary and benefit for the budget years of 2015/16 and the average satisfaction level were 50.48% (ET satisfaction survey,2016). This result implies that there is a low level of employees' job satisfaction in ethio telecom.

In addition to satisfaction result, ethio telecom employees' attrition rate indicates that more than 1000 employees left with in 3 years. Although, all the three years attrition rate shows ethio telecom has low and health employee turnover. Allen et al.(2003) stated effective turnover analysis should examines; how many people are leaving (turnover rate)? Who is leaving? What are the relative costs and benefits of our current turnover? makes the analysis complete. The below table indicates the number of ethio telecom employees who where left the company due to different reasons each year for the past three years.

Table 1. 1: ethio telecom employees' three years attrition rate

EFY	Total No.of employees	No.of employees left the company	Remark
2007	11,966	400	3.34%
2008	12,882	370	2.87%
2009	13,326	289	2.17%
Tota	al left with in 3 years	1,059	

**Source**: ethio telecom annual performance reports for the budget years of 2013/14, 2015/16 and 2017/18.

The attrition rate of the company for 2013/14, 2015/16 and 2017/18 budget years where 3.34%, 2.87% and 2.17% respectively. Even though the number of employees left the company seems declining, the annual employee voluntary turnover of the company is still an issue to be examined. For instance, according to the annual performance report of 2013/2014 budget year from 400 employees who left the company 163 disappear and 192 resigned. During this budget year out of 400 employees who left the company 355 employees (disappear plus resigned) are left voluntarily. Majority of the employees who left voluntarily the company were highly skilled professionals from Operations (core task of the company) which had an impact in sustainable growth of ethio telecom. To sum up the base of the current study is ethio telecom employees' satisfaction survey result implication as a major issue together with the turnover part who is leaving within three years.

The study therefore, aims to examine the effects of levels job satisfaction on turnover intentions by expressing job satisfaction factors (achievement, recognition, responsibility, advancement, growth opportunities, the work itself, compensation/pay, supervision, work conditions, coworkers, policies, job security, status and communication) within ethio telecom employees in Addis Ababa.

# 1.3. Research Questions

This research project aims to answer the following basic research questions.

- 1. What is level of the employee job satisfaction in ethio telecom?
- 2. What is level of the employees' turnover intention in ethio telecom?
- 3. What is the relationship between job satisfaction and employees' turnover intention in ethio telecom?

- 4. What are the major factors of employee job satisfaction that affects employees' turnover intention in ethio telecom?
- 5. To what extent job satisfaction affects employees' turnover intention of ethio telecom?

# 1.3. Objective of the Study

# General objective

• The main focus of the study was to assess the effects of job satisfaction on turnover intentions among the employees of ethio telecom.

# Specific Objectives

- To evaluate employees' job satisfaction in ethio telecom.
- To examine employees' turnover intention in ethio telecom employees.
- To determine the relationship between job satisfaction and employees' turnover intention of ethio telecom employees.
- To identify the major factors of job satisfaction that affects ethio telecom employees' turnover intention.
- To determine the extent of the job satisfaction that affects ethio telecom employees' turnover intention.

# 1.4. Scope of the study

The scope of the study is limited to employees of ethio telecom at head quarter and six zones (IS, Network, Sales and customer service divisions) who are working in Addis Ababa. In addition to this, the researcher focused on some job categories of middle management (officer and manager); supervisors, POS Coordinator, specialists and some professionals due to time and other resource constraints.

# 1.5. Limitations of the study

The limitation of the study were respondent's might be reluctant to express their true feelings about the questions asked, so conclusion and recommendation of the findings might be affected, busy people were not want to take the time, try to help by giving pleasant answers, and lack of

the researcher's experience affected the research work. Furthermore, other factors that may influence ethio employee's turnover intentions not measured.

# 1.5. Significance of the Study

This study is expected to identify the major job satisfaction factors that affect employees' turnover intention at ethio telecom. The study could have importance to provide some suggestions or recommendations that used to take corrective measures to alleviate the problems. The study also expected to reveal opportunities for ethio telecom to align the company's human capital strategies with key job satisfaction factors to attract capture and retain its employees. Furthermore, the study will also used as a source of information for future research.

# 1.6. Organization of the Study

The study is composed of five chapters .The first chapter contains background of the study, statement of the problem including basic research questions, objectives of the study (general and specific objectives), scope and limitations of the study and significance of the Study. Chapter two, in this chapter review of literature on the definitions of job satisfaction and factors of job satisfaction are discussed. Where after, the definitions of employee turnover intention, types of turnover, causes of turnover and effects of turnover are explained. Furthermore, the influences of job satisfaction factors on employee turnover intentions relevance to this study were argued. Chapter three includes the research design and methodology employed (the research method, sources and types of data, sampling methods and sample size, instruments of data collection, techniques of data analysis and ethical considerations are explained). In Chapter four the researcher has summarizes the results, interprets and discusses the findings. The fifth chapter is consists of the summary, conclusions and recommendations in line with the most important findings of the study. Finally, list of the reference materials used are attached before the appendix part.

# **CHAPTER TWO**

# REVIEW OF RELATED LITERATURE

In this chapter the existing literature on the related concepts appropriate to this study is examined and used to build the theoretical framework. First, the definitions, and factors of job satisfaction discussed where after the definition, type, cause, and effect of turnover intention or behavior relevant to the topic is dealt with. Besides, the influence of job satisfaction factors (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) on employee turnover intention would investigate. Finally, the theoretical framework of this study is developed that shows independent and dependent variables.

# 2.1. Review of theoretical literature

# 2.1.1. Definition of Job satisfaction

The concept of job satisfaction has been developed in many ways by many different researchers and practitioners. One of the most often cited and widely used in organizational research definitions on job satisfaction is the one given by Locke(1976), defines job satisfaction as 'a pleasure or positive emotional state resulting from the appraisal of one's job or job experiences'. The other most often cited definition on job satisfaction is the one given by Spector (1997), according to him job satisfaction has to do with the how people feel about their job and their various aspects. It has to do with the extent to which people like or dislike their job. That is why job satisfaction and job dissatisfaction appear in any given situation. Job satisfaction can be defined also as the extent to which a worker is content with the rewards he or she gets out of his or her job, particularly in terms of intrinsic motivation (Statt, 2004). The term job satisfaction refers the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction (Armstrong, 2006). Furthermore, job satisfaction is the collection of feeling and beliefs that people have about their current job. People's degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction. In addition to having

attitudes about their jobs as a whole people also can have attitudes about various aspects of their jobs such as the kind of work they do, their co-workers, supervisors or subordinates and their pay (George et al., 2008).

Aziri (2008) also explained that job satisfaction represents feeling that appears as a result of the perception that the job enables the material and psychological needs. Besides, Shah (2011) identifies job satisfaction as the feeling an employee has about the job itself as well as other job satisfaction factors.

Hence, employers should provide a favorable working environment where their employees would feel welcomed when they are recognized for their contribution, free of their own judgments, and participated in decision making. For the reason that, employees are satisfied at work, the employer organizations enjoy the greater stability at workplace, pleasant and encouraging working environment is created. As a result, there is an advancement of economic development, social justice, labour peace and democratization of the workplace is promoted. Accordingly, the employer and employees relationship would be fruitful to both parties to increase job satisfaction and to decrease the levels turnover intention or turnover in the organization.

# 2.1.2. Factors of Job Satisfaction

Job satisfaction, is considered within empirical studies either as an overall or global feeling about the job, or as a related set of attitudes about various aspects of the job or facet approach (Spector, 1997). The global approach to measurement is used when the interest is in overall attitude to the job. However, Facet approaches can determine which particular aspects of the job are producing satisfaction or dissatisfaction for the individual and are, therefore, important in determining areas for improvement. Facets of job satisfaction can involve any aspect of the job. Herzberg's Two Factor Theory is probably the most often cited point of view and its main idea is that employees in their work environment are under the influence of factors that cause job satisfaction and factors that cause job dissatisfaction. Hence, all factors that have derived from a large empirical research and divided in factors that cause job satisfaction (motivators) and factors that cause job dissatisfaction (hygiene factors). Furthermore, different authors have noted that employee satisfaction results from a mixture of rewards other than any one particular reward (Eshun and

Dual, 2011). Evidence from various research's done over the years suggests the importance of both extrinsic and intrinsic rewards. To achieved enhanced employee satisfaction, neither one can be substituted for the other. Employees who are well paid but are made to work in environments which are not conducive or made to be repetitive or not recognized will leave for the other organizations because of the lack of intrinsic rewards (motivators) just as employees who work in interesting and enabling work environment and recognized will leave because they will be dissatisfied with extrinsic rewards (hygiene factors) which reinforces Herzberg's two-factor theory. The main focus of this study is to evaluate the effects of employees' job satisfaction on employees' turnover intention at Ethio telecom of Addis Ababa Ethiopia. For the purpose of the study the researcher used job satisfaction factors (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication), so as to evaluate how job satisfaction factors affects the employees' turnover intentions at Ethio telecom.

#### 2.1.4. Turnover Intentions

# 2.1.4.1. Definitions of turnover intentions

The theory of turnover shows that turnover intention is the best predictors of whether a worker leaves the firm or not and the cognitive process of thinking and planning to leave a job (Lambert,2006). According to Medina (2012), turnover intention is defined as an employee's intent to find new job with another employers within the next year. Moreover, intention to leave is considered a conscious and deliberate desire to leave an organization within the near future and consider the last part of a sequence in the withdraw cognition process (Mobley, Horner, &Hollingsworth, 1979). Three elements exist in the withdrawal cognition process namely, thoughts of leaving the organization, the intention to search another job somewhere else and the intention to leave. Hence, according to McWilliams (2011), the last part of this process (intention to quit) is costly for organizations both directly and indirectly. It is costly directly by losing staff through recruitment, selection, training and development and indirectly through the loss of tacit knowledge and intellectual property to competitors. Furthermore, Parry (2008) found that actual turnover and intent were influenced by a separate set of factors with intent to leave being a poor

predictor of turnover behavior; most of the turnover research supports overwhelmingly the predictive strength of turnover intentions.

Generally, turnover intentions have been an extremely powerful concept that helps to understand employee attitude and behavior. A study conducted by Iiyas (2013) contributed to the literature on turnover intentions by understanding heterogeneity among employees' turnover intentions within call center industry, where it is almost a norm to quit. It is important to identify and understand which attitudes of employees are associated with their decision to stay, leave or be unsure about either.

# 2.1.4.2. Types of turnover Intentions

The separation of employees from an organization may be due to voluntary or involuntary turnover (Allen, Shore and Griffeth, 2003). It is voluntary when the choice of leaving the organization is initiated by the employee and involuntary where the employee has no choice in from termination the their .It mav result following situations: dismissal. retrenchment/redundancy, retirement, long term sickness, physical /mental disability, moving or relocated abroad, and death. Turnover intention is a well-researched topic .Many authors have studied its close relationship with voluntary turnover. Voluntary turnover is further distinguished into functional and dysfunctional turnovers. Functional turnovers are the resignation of substandard performers and dysfunctional turnovers refers the exit of effective performers. Dysfunctional turnover is of greatest concern to the management due to its negative impact on the organizations general performance. Dysfunctional turnover could be further classified into avoidable turnover (caused by lower compensation, poor working conditions, etc.) and unavoidable turnovers (like family moves, serious illness, death.etc) over which the organization has little or no influence

# 2.1.4.3. Cause of turnover intentions

There are a number of reasons why turnover and turnover intentions takes place. According to Shamsuzzoha A.(2007), some of the factors that affects employee turnover are the economy (the availability of higher paying jobs and in a better economy the availability of alternative jobs plays a role in turnover), demographics, the characteristics of the job, the individual factors

(including things such as changes in family situations, a desire to learn a new skill or trade or an unsolicited job offer) ,unmatched of the employee's skill and the job substandard equipment tools or facilities ,unequal or substandard wage structures, inadequate or lackluster supervision and training ,recognition(feelings of not being appreciated ), and lack of opportunity for advancement or growth.

One of the turnover models, the Mobley model (Lee, TW 1988) was a landmark conceptual piece that persuasively explained the process of how job dissatisfaction can lead to employee turnover. The model proposes that an employee normally experiences seven sequential and intermediate stages between job dissatisfaction and eventual turnover. Mobley theorized that job dissatisfaction leads an employee; to think about quitting which may help that employee to lead in, to evaluate the expected usefulness of searching for another job and the costs associated with quitting the current job. From the evaluation an intention to search for alternative jobs may occur which in turn likely leads the employee to intend searching for alternative jobs to the evaluation of the acceptability of any specific alternatives, the employees would likely compare the new alternative with the current job which in turn can lead to an intention to quit, and eventual employee turnover.

When employees are not satisfied with their jobs and organizations do have not trust in their employees the employees' intention towards turnover will be greater, they will leave the organization and the duration of their job will be smaller (Jeffrey, 2007). Furthermore, Shamsuzzoha A. (2007) ,explained that turnover basically arises from the unhappiness from job place for individual employee but being unhappy in a job is not the only reason why people leave one company for another .If the skills that they possess are in demand, they may be lured away by higher pay ,better benefits or better job growth potential .That's why it is important to know and recognize the difference between employees who leave the job because they are unhappy and those who leave for other reasons.

# 2.1.4.4. Effects of turnover Intention

According to Nyberg, Call, and Ployhart (2013) individual and collective turnover affects the performance, competitive advantage and productivity of organizations. In the 21<sup>st</sup> century, a specific challenge confronting most business considering high uncertainty in retaining qualified

employees is the issue of employee turnover and turnover intention (Gyensare, 2013). Similarly, Vance (2006) reported that Caterpillar, a giant multinational construction equipment manufacturer, saved about \$8.8 million in turnover costs at one of its European based plants. A survey by Youth Employment Network(2009) on private sector demand for youth confirmed that high turnover rates seems to be the most problematic issue in the banking sector ,with the sector recording the highest turnover rate of 27% out of surveyed sectors in Ghana. Park and Shaw (2013) stated that all forms of turnover namely; voluntary, involuntary and redirection-in-force would hurt organizational performance, as experienced employees depart organizations taking accumulated knowledge and skills with them. Although the effect of turnover is negative, to reduce conflicts and bring change and innovation to the organization minor turnover is healthy for the organization. Moreover, Park and Shaw (2013) explained that even if there are negative consequences tied to voluntary turnover, some of the positive consequences of involuntary turnover include reduction in costs associate with compensation (for example costs related to base salaries ,vacation and insurance ), and the ability to eliminate employees who perform poorly. Also, Smith and Ingersoli (2004) stated that a level of employee turnover is acceptable in any occupation, in that it offsets potential stagnancy, eliminates low performers, and encourage innovation with the entry of new blood. However, high employee turnover lead to low performance and ineffectiveness in organizations, and result in a huge number of costs and negative outcomes.

# 2.2. Factors affecting Job Satisfaction and Employee Turnover Intentions

Many studies conducted in different setting to understand the effects of the overall job satisfaction or the facets of job satisfaction on employees' turnover intention. Among these researchers (Chiang & Hsieh, 2012; Saeed, et.al. 2014,, Zopiatis, Constanti,&Theocharous,2014). Chiang & Hsieh (2012) stated that job satisfaction is determined from the discrepancy between the individual's requirements and that which is provided by the organization, the closer the balance between organization provision and individual needs, the higher the job satisfaction, which in turn decrease turnover intentions. On top of that, job satisfaction has been empirically proven to be the main predictor of turnover intentions (Saeed, et.al. 2014). They proved on their study that negative relationship between the job satisfaction and turnover intention. When the job satisfaction is greater the turnover intention will be lesser and vice versa. Furthermore, Zopiatis,

Constanti, and Theocharous (2014) assert that employee job satisfaction emanates from two alternate points of view namely ;extrinsic variables such as ; compensation/pay, supervision, work conditions, co-workers, policies, job security, and status, and intrinsic job satisfaction variables such as; the work itself, achievement, recognition, responsibility ,advancement and growth. Therefore, the researcher wanted to identify the influence of job satisfaction factors (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) on employee turnover intention.

# The Work Itself

Many authors had done research about the effects of the nature of works on employee turnover or turnover intention. Among these,(Friday & Friday, 2003; Samuel E.M., 2012). According to Friday and Friday (2003), it is important for managers to take inventive steps to make work more challenging in order to increase job satisfaction employees. This argument further stated that if a job is extremely inspiring, works are likely to be satisfied with the job content and provide higher quality work, which in turn could lead to lower standards of absenteeism. Moreover, employees tend to favour jobs which bring them chance to apply their skills and abilities, offer them variety and freedom as well as jobs where they receive constant feedback on how they are progressing. Furthermore, Samuel E.M. (2012) confirmed that the higher the satisfaction with nature of work the lower the employee turnover intention. This means that satisfaction with nature of work is negatively related to turnover intention in sample study of *university teachers in Total Nigeria PLC Lagos State of Nigeria*.

#### Achievements

Achievements are things you did that had a lasting impact for your company or client. It is a result that you personally bring about while fulfilling a particular role. Typically they are things that you created, built, designed, sold or initiated. It is one of the three major needs of employees at managerial position; achievement, power, and affiliation. Therefore, employees' achievement motivation can be raised by organizations through processes such as job design, performance management, and skill or competency-related pay schemes.

# Recognitions

In a study developed to determine the perceptions and effects of work recognitions and other variables on the turnover intentions of IT workers, the result showed that for IT professionals, a huge part of their motivation came from the recognition they got from managers for well work and their perception that they were important members of the organization, decreasing their intentions to leave the public institutions (Burrell, 2014). In addition, a study developed in a group of American Public Sector Organizations of South Carolina, the perceptions of employees' recognitions had a significant impact on the intent to leave the organizations (Henryhand, 2009). Furthermore, in a study developed to examine what motivates employees in the retail industry, and their level of job satisfaction using Herzberg's hygiene factors and motivators in Malaysia found that recognition is significant motivator of employees (Hong and Waheed, 2011).

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

# Responsibility

Weinstein (1992) has been stated, that responsibility is the single greatest motivator in business. In some instance individuals perceive that they are ready to make the decisions yet, management may never give them the chance. Responsibility is a major factor that can provide a lasting change of attitude (Herzberg, 1966). Therefore, empowering the employee could be a critical investment in a company's future.

# Opportunities for Advancement

Lack of opportunity for advancement or growth can cause a high turnover rate for any organization. Cohen et al (2016) argued that satisfaction with advancement opportunities is a key factor affecting employees' overall job satisfaction and consequently, turnover intentions. When employees perceive no growth areas or future to advance within the system, they have no reason to remain in the current work situation. If growth is desired but leaving the current employer is required, it will result eventually in the employees departure. The employers should be clear with employees before hiring if the job is basically dead end position. If the employers not described the position precisely without raising false hopes for growth and advancement, this leads turnover intentions (Shamsuzzoha, 2007).

# Compensation/pay

Many researchers conclude that financial reward is one of the basic types of extrinsic monetary rewards which comprises the basic needs of income and affects the turnover intention of employees' .Ones the employees perceive that their employers cannot offer their expected level of compensation; they may leave the organization (Mondy, 2010). On the other hand, Higginbotham (1997) mentioned that high salaries are not important, but good and fair salaries indicate a strong correlation with intention to remain, signifying that as long as the compensation is competitive, financial rewards are not the primary factor in retention. According to Lai (2011), an efficient compensation system leads in organizational growth and development which reveal a positive correlation between job satisfaction and skill based pay, job based pay and performance based pay.

# Growth opportunities

Growth opportunities is provided by the employers to reduced the turnover intentions of employees because lack of promotional opportunities and training is the main reasons of high performer and skilled employees leave their company (Allen et al.,2003; Steel, Griffeth & Horn 2002). According to Friday and Friday (2003), promotion satisfaction evaluates employees' attitude towards the organization's promotion policies and practice. In addition to this, Bajpai and Srivastava (2004) suggest that promotion offers employees with opportunities for personal growth, more responsibilities and also increase social status. Pires (2009) also explained that Providing career advancement opportunities whenever possible is important within the company for cross-training and career progression because employees are seeking to develop themselves, and offering that opportunity to them may provide the satisfaction and stability they are seeking. Therefore, employees who recognize that promotion are made in a reasonable and justice manner are most expected to high level of job satisfaction.

# Supervision

Supervisor play important role in organizations by enforcing the practices and rule with subordinates applying some level of flexibility. Employees under the same law enforcement but working in different departments can perceive the same rule and procedures in a different way due to different supervisor's management styles. Supervisors who support co-workers impact

positively on job stratification. Many researchers have revealed that the lack of supervisory support tends to increase in job stress and decrease satisfaction (Kula &Guler, 2014).

Incompetent supervisors are often one of the first issues linked to employee turnover. No one wants to work for a manager who cannot adequately complete the tasks of his or her job, who is not passionate about the work being done, and who fails to provide regular feedback. Providing better employee supervision as well as enhanced communication helps decrease employee turnover (Pires, 2009).

# Work Conditions

Work environment is one of the most significant factors in employee retention (Zeytinoglu& Denton, 2005). When the work environment is well regarded, employee work attitudes are better, and thus, job satisfaction is higher. Some employees jump from company to company because they prefer a working environment that is suitable for them. If working conditions are substandard or the workplace lacks important facilities, such as proper lighting, furniture, clean restrooms, and other health and safety provisions, employees won't be willing to put up with the inconvenience for long. If an employee finds an appropriate work environment which is suitable for them in a specific company, they may work in that same organization for several years Furthermore, Hytter, A.(2008) concluded that work environment has only really been discussed by people from the industrial perspective ,meaning the focus has primarily been on the physical sides such as noise ,heavy lifts, toxic substance and their exposure ...etc. However, Zeytinoglu & Denton (2005) found out that the environment also plays an important role in the employee's decision of either staying or leaving the organization.

# Interpersonal Relationship (Co-workers)

Good coworker relationships can help employees address work challenges and enable them to be dedicated to details that affect service quality, enhance service quality stability, and improve job satisfaction (Eatough, 2010). Interaction between superior, subordinate or co-workers is unavoidable and so is the existence of conflicts (West, 2007). According to Eatough (2010), work-related behavior and situations such as management style, limited resources availability, incorrect job instruction and fairness are the causes of interpersonal conflict with supervisors. Furthermore, Aamodt (2004) stated that employees who appreciate working with their superiors

will be more satisfied with their jobs. Satisfaction with superiors is associated to organizational and team commitment, which results to higher output, lower turnover and a greater willingness to assist. Therefore, the satisfaction of relationship with superiors is found negatively correlated with turnover rate (Harris, Wheeler & Kacmar, 2009).

#### Policies

The definition of organizational policy is a conduct or principle for the exercise of administrates and supervision that they compel to achieve an organizational goals. Organizational policy makes a clear direction of employee to achieve the prospect goals and which is ultimate positive impact on employee job satisfaction. According to Locke (1976), he point out through his work on organizational policy, which reveal that organizational policy influence the other variables, for instance salary, promotion, justice and reward; hence, the value of organizational policy a considerable influence on other variables that is ultimate affect on job satisfaction.

# Job Security

Job security is stated as a person's expectations about continuity in a job situation. This definition takes beyond concern over continuation of employment with an employer. It includes Concern over loss of desirable job features such as lack of promotion opportunities, long-term career opportunities and current working conditions. Job security in wider sense as employee keep going to work with the current organization with no decrease in grade level, pay, pension rights, etc. recent meta-analytic evidence demonstrates that employees who see their jobs as lacking security tend to have lower job satisfaction, less organizational commitment, and a stronger intention to turnover (Sverke et al., 2002). Many researchers have successfully found the link between job security and employee turnover intention as job security is an important determinant for employee turnover discovered the steadiness of the work as a major precedent of turnover intention. Steadiness of the work and job security is parallel to each other. Leaving from the situation by quitting one's job is a means of coping with a stressor like job insecurity. There is a negative relationship between job security and turnover intention that is high job security leads towards reduced turnover intention and vice versa (Gill et al., 2010) Lack of job security, makes the employee less responsible, also they fell less attachment with the organization which leads them towards turnover.

#### Job Status

Some job positions are intrinsically more attractive than others and it will be affected by many characteristics including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment (Shamsuzzoha, 2007). People who hold advanced level jobs are more satisfied than those who hold lower level positions. In addition to this, there is a possibility of more challenging complex nature of higher-level jobs lead to higher job satisfaction. For example, workers in professional and managerial jobs are normally paid extra, have better promotion prospects, autonomy and responsibility which might also escalate the job satisfaction in turn turnover intention is diminished. On the other hand, Smith and Ingersoli (2004) argues that job satisfaction tends to be lower among employees in jobs characterized by dangerous conditions, of which in most cases these jobs normally of a lower level nature. Therefore, there are greater satisfaction to employees in higher levels than those in lower levels.

# Communication

Communication is the degree to which management communicates with subordinates and the extent to which employees perceive that they are being properly informed with regards to the aspects of the job that affect them (Boshoff and Mels, 1995). Husain (2013) suggested that the two main objective of organization communication are to inform the workforce about their tasks and the policy issues of the organization as well as to construct a community within the organization. Thus, meaningful communication informs and educates employees at all levels and motivates them to support the strategy (Barrett, 2002). Furthermore, communication is also proved to be an effective tool for motivating employees involved in change (Husain, 2013). Therefore, effective organizational communication is inversely related with employee turnover intentions.

Generally, this chapter has highlighted the relevant theoretical and empirical studies concerning the issues of job satisfaction and turnover intention. On this relevant reviewed literature part the researchers used different methods, data sources and analytical techniques and there was little consistency in their findings. As results of their findings, there were several reasons why people leave their work. This ranges from economic factors to personal characteristics of the employees. Some variables are intrinsic, others are extrinsic or a combination of both which influence

turnover intention of employees. The researchers were considered many factors including nature of work, recognitions, responsibilities, achievement, advancement opportunities, job status, compensation (pay), supervision, promotion opportunity, working conditions, job security, work family balance, job analysis, organizational culture, organizational commitment, availability of alternate jobs, organizational communications, job stress, performance appraisal, career growth, emotional intelligence, social support, and others. Furthermore, from the above reviewed the researcher has discussed different relevant theoretical and empirical studies on the specific job satisfaction factors that affect employee turnover intentions which will be the focus of this study.

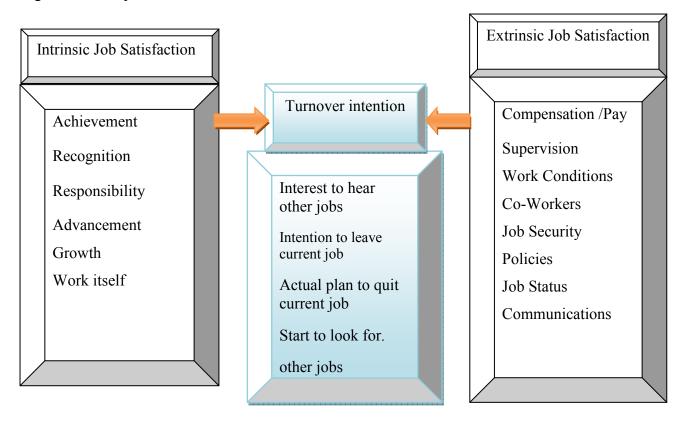
# 2.3. Conceptual Framework of the Study

The conceptual framework has been generated after reviewing the theoretical literature and empirical studies. The model shows the influence of Job Satisfaction (facets) (express as; achievement, recognition, responsibility, advancement, growth compensation /pay, supervision, work conditions, co-workers, policies, job security, job status and communication as independent variables where as employee turnover intention as dependent variable. The independent variables job satisfaction (facets) was adapted from the measurement instrument developed by Spector (1997). This measure used in the present study consists of fourteen predictors and 56 items.

The measurement instrument for the dependant variable (turnover intention) in this study was adopted from the tool developed by Michaels and Spector (1982). The instrument consisted of four items: interest to hear about jobs outside their company, intention to leave current job, actual plan to quit current job and start to look for other jobs.

The independent and dependent variables' items utilized five point Likert-scale ranked from strongly disagree to strongly agree where 1 - "strongly disagree", 2 - "disagree", 3 - "neutral", 4 - "agree" and 5 - "strongly agree. This conceptual framework adopted from Herzberg's two factor theory and other job satisfaction theories.

Figure 1: Conceptual Framework



This Research Model is adopted from Herzberg's two factors theory (1966)

# 2.4. Empirical Review

Many Authors did research on the effects of job satisfaction related factors on employees' turnover intention. They used different assortments of factors' of job satisfaction to examine its effects on employees' turnover intention. Among these researchers, Mahdi et al, (2012), Adeboye T. A. et al (2012), Samuel E. M. et al (2012), Santript S. et al (2013), Ali N. (2011) are some of them .These researchers investigated what determines employee turnover/ intention to leave by examining the possible antecedents.

Mahdi et al, (2012) conducted research on the relationship between job satisfaction and turnover intention among the employees of local printing company in, Malaysia. They considered intrinsic job satisfaction and extrinsic, job satisfaction as independent variables where as turnover intention as dependent variables. A descriptive survey method was used with structured questionnaires, Reliability test, Correlation analysis, and supported by SPSS version 12.0. The results obtained in this study showed that both forms of job satisfaction (intrinsic and extrinsic

satisfaction) have inverse relationship on employees' turnover intentions. Even though, intrinsic job satisfaction has stronger influence on turnover intention. Existence of extrinsic job satisfaction also must be considered in measuring the intention.

Santript S. et al (2013) examined influence of various factors on employee turnover in urban and semi urban banks. They used a self-developed questionnaire, measured on a Likert Scale to collect data from respondents and quantitative research design. The reliability of the data collected is done by split half method. The collected data were being analyzed using a program called Statistical Package for Social Science (SPSS ver.16.0 For Windows). The data analysis is carried out by calculating mean, standard deviation and linear correlation. Their finding showed that Work Environment, Job Stress, Compensation (Salary), Employee relationship with management and Career Growth have significantly influenced employee turnover in banking sector.

Nazim A. (2011) conducted study to investigate ten factors of satisfaction with- pay, security, nature of work, working condition, colleagues (integration), supervision, students, promotion and social status were considered to have an important bearing on the turnover intention of teachers in private school. Data was collected and Pearson correlation and zero order correlation were used. From the ten factors identified only three- satisfaction with pay satisfaction with security and satisfaction with promotion were found to have a strong negative relationship with employee's turnover intention.

As Adeboye T. A. et al (2012) conducted research on employees' perception of career progression and turnover intention among bank workers in IFE central call Government area, Osun State, Nigeria. They considered perception of career progression and Years of service (long service years-ten years & above and short service years-below ten years) as independent variables. A descriptive survey design was adopted for the study. A self-designed questionnaire was used to collect relevant data for the study and the data collected were analyzed using Pearson Product Moment Correlation (PPMC) and T-test analysis. The researchers concluded that there is an inverse relationship between perception of career progression and turnover intention. In their findings, they also indicated that the year an individual spends in a company has no effect on his/her turnover intention and advised companies, establishments or managements to give increased attention to their employees' career progression.

# **CHAPTER THREE:**

# RESEARCH DESIGN AND METHODOLOGY

The literature review part of this study provided a theoretical foundation on job satisfaction and turnover intention. This chapter has introduced how this research project was carried out. Thus, the research method, sources and types of data, sampling methods and sample size, instruments of data collection, techniques of data analysis and ethical considerations described respectively.

# 3.1. Research Method

The purpose of this study was to evaluate the effects of job satisfaction on the ethio telecom employees' turnover intention. The study employed a cross-sectional research design with descriptive research method. Descriptive research method enables to compare two or more groups in terms of independent variable and dependent variable. According to Kothari (2004), descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or of a group. Such surveys may be undertaken to assess job satisfaction, motivation, morale and stress; and the satisfactoriness of the means of dealing with them; and the reaction to possible changes in a working arrangement.

# 3.2. Source and Types of Data

Kumar (2005) stated that there are two major approaches used by researchers' namely primary and secondary data. This study used both the primary and secondary data through self-administered questionnaire and relevant company documents. The primary data was collected from ethio telecom head quarter and six zonal offices' employees. Target employees were officers, managers, supervisors, point of sales Coordinator, and specialists. The Secondary data was collected from relevant company documents; policy and procedure manual, collective agreement, organizational reports, company magazines, company website and related study by the company.

# 3.3. Sampling Method(s) and sample Size

Sampling is a process of selecting a number of study units from a defined study population (Kombo and Tromp, 2006; Kothari, 2009). In this study, the sample was selected by both purposive and simple random sampling procedure. For the purposive (non-probability sampling), respondents were chosen based on the researcher's judgment that they have desirable job characteristics and could provide the required information. The simple random sampling was applied in selecting respondents whose job characteristics and location was identified using purposive sampling. The total population for this study is estimated to be around 5056. The sample size of 371 were considered from ethio telecom. There are different formulas that used to determine the sample from the population, for the purpose of this study, sample determination calculation done based on Yemane (1967), simplified formula for calculation of sample size from a population. According to him, for a 95% confidence level and p=0.5, size of the sample should be,n=N/(1+Ne²), Where, N, is total population=5056

e, is the level of precision or the error term tolerable=0.05 n, is no. of samples drawn from total population = $5056/(1 + 5056 * 0.05^2)$  n = 5056/(1 + 12.64). Therefore, n = 371

Stratified random sampling technique was used to allocate sample size into HQ and 6 zones in Addis Ababa. The sample size of professionals and management members above is allocated in 7 strata using proportional allocation method as shown in table below:

**Table 3.1: Proportionate Sample Size** 

ET number of employees at HQ and all 6 zones in Addis			
Work Unit	No. of Employee	Proportion	Sample
CAAZ	264	5%	19
EAAZ	356	7%	26
NAAZ	317	6%	23
SAAZ	317	6%	23
SWAAZ	278	5%	20
WAAZ	343	7%	25
HQ	3181	63%	233
TOTAL	5056	100%	371

Source: researchers own completion of secondary data 2018

#### 3.4. Instruments of data collections

The study was used close ended self-administered questionnaire which is designed to collect quantitative data. The designed questionnaire is a combined questionnaire which includes job satisfaction survey developed by Spector (1997); turnover intentions questionnaire and employees' demographics developed by Michaels and Spector (1982) Therefore, Scales to measure each variable developed based on prior similar studies with some measurements being modified to customize this study.

Agresti (2002) stated that a variable's measurement scale determines which statistical methods are appropriate. In the measurement hierarchy, interval variables are highest, ordinal variables are next, and nominal variables are lowest. Statistical methods for variables of one type can also be used with variables at higher levels but not at lower levels. Analysts often utilize the quantitative nature of ordinal variables by assigning numerical scores to categories or assuming an underlying continuous distribution.

This study utilized questionnaires consists of 64 items categorized into two sections where 4 items were for demographic variables. Fourteen independent variables in the second section consist of 60 items from which 56 were predictor items and 4 items were turnover intention items representing the dependent variable. Independent and dependent variables' items utilized five point Likert-scale ranked from strongly disagree to strongly agree where 1 - "strongly disagree", 2 - "disagree", 3 - "neutral", 4 -"agree" and 5 - "strongly agree. Therefore, in this study the ordinal variables considered as the next higher level interval variables and the analysis done based on this assumption.

#### 3.4.1. Reliability and validity test

In this study, first of all, the reliability and validity of the job satisfaction facets (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) and turnover intention scales were assessed. The Cronbach's Alpha Coefficient was used in the reliability analysis of the scales. According to Hair et al (1998) above, 0.7 level of Alpha value considered the scale has overall stability and consistency.

#### Table3.2: Reliability test result

Variable	Items	Cronbach's Alpha(variables)
Achievement	4	0.863
Recognition	4	0.866
Responsibility	2	0.873
Advancement	4	0.868
Growth	3	0.863
Work itself	5	0.865
Compensation /Pay	6	0.870
Supervision	7	0.872
Work Conditions	5	0.869
Co Workers	5	0.880
Policies	4	0.871
Job Security	2	0.867
Status	2	0.879
Communication	4	0.873
Turnover Intentions	4	0.909

On the other hand, after determining reliability, factor analysis was conducted to determine validity of job satisfaction dimensions and turnover intention scale. (Keiser-Meyer-Olkin) and Bartlett's test of sphericity can be used to examine assumptions relating to the appropriateness of the factor analysis. The KMO values above 0.60 are considered acceptable and Small values of Bartlett's test (less than 0.05) of the significance level indicate that a factor analysis is useful (SPSS Manual version 20).

## 3.5. Techniques of Data Analysis

For the purpose of this study the analysis of data was done by using descriptive statistics such as mean, standard deviation, percentage, frequency distributions to describe research sample, Correlation analysis to calculate the strength and direction of the relationships between the independent and dependent variables and regression analysis to identify the cause and effect relationship between the research variables. For achieving accurate results in interpreting the raw data in to meaningful information, data analysis will be supported by SPSS 20(Statistical Package for Social Science).

## 3.5.1. Descriptive analysis

According to Zaidatol and Bagheri (2009) the mean score below 3.39 is considered as low; the mean score from 3.40 up to 3.79 is considered as moderate and mean score above 3.8 is considered as high as shown below.

Table 2.3: Comparison Bases of Mean Score of Five Point Likert Scale Instruments

No	Mean value	Description
1	<3.39	Low
2	3.40 up to 3.79	Moderate
3	>3.8	High

Source: Zaidatol and Bagheri (2009)

## 3.5.2. Correlation analysis

Correlation is a statistical technique used to determine the degree to which two variables are related. Pearson correlation was calculated to determine relationships among job satisfaction facets (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) and turnover intention. Regarding the direction and effect size of correlation, there is no hard and fast rule to put the threshold limit. Different sources keep different values though the results do not significantly vary. Generally, positive values denote positive linear correlation; negative values denote negative linear correlation; a value of 0 denotes no linear correlation; and a value of 1 or –1 is perfect linear correlation. The sign of r denotes the nature (direction) of association and while the value of r denotes the strength of association. The value of r ranges between (-1) and (+1).

More specifically, Evans (1996) suggests correlation coefficient of .00-.19 as "very weak", .20-.39 as "weak", 0.40-.59 as "moderate"; .60-.79 as "strong" and .80-1.0 as "very strong". Gerstman on an education blog put coefficient of less than .3, .3-.7 and greater than .7 as weak correlation, moderate correlation and strong correlation respectively. Cohen's (1988) effect size indicated that the correlation coefficient (r) ranging from 0.10 to 0.29 may be regarded as indicating a low degree of correlation, r ranging from 0.30 to 0.49 considered as a moderate degree of correlation, and r ranging from 0.50 to 1.00 regarded as a high degree of correlation.

For this particular study, Cohen's convention is taken throughout the analysis since it is two digits inclusive of other two.

#### 3.5.3. Regression analysis

Regression analysis is one of the most commonly used statistical techniques in social and behavioral sciences as well as in physical sciences which involves identifying and evaluating the relationship between a dependent variable and one or more independent variables. As defined by Kothari (2004), "multiple regression analysis adopted when the researcher has one dependent variable, which is presumed to be a function of two or more independent variables". Since the correlation result provides only the direction and significance of relationship among variables. For the purpose of this study the researcher employed multiple regression analysis to examine the effect of job satisfaction (express as achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) on employees' turnover intention. Since, multiple regression not only does it indicate how well a set of variables explains a dependent variable, but also gives the direction and size of the effect of the variables on the dependent variable.

The correct use of the multiple linear regression models requires that several critical assumptions be satisfied in order to apply the model and establish validity (Poole & O'Farrell, 1971). Inferences and generalizations about the theory are only valid if the assumptions in an analysis have been tested and fulfilled. Therefore, for this study the following primary assumptions were considered.

## Multiple Regression Assumptions

The assumptions of Multiple Regression that are identified as primary concern in the research include *linearity, normality, collinearity, and homoscedasticity*.

First, multiple linear regression requires the relationship between the independent and dependent variables to be *linear*. Some researchers argue that this assumption is the most important, as it directly relates to the bias of the results of the whole analysis (Keith, 2006). If linearity is violated all the estimates of the regression including regression coefficients, standard errors, and

tests of statistical significance may be biased. The linearity assumption of this study is tested with scatter plots (See Appendix C). We can see that the relationship between the IV and the DV modeled by a straight line that revealed the relationship between these variables is linear.

Second, Multiple regressions assume that variables have normal distributions (Osborne & Waters, 2002). The multiple regression analysis requires that the errors between observed and predicted values (i.e., the residuals of the regression) should be *normally distributed*. This assumption may be checked by different test methods. *Histogram, Q-plots, and P-plots* are more exacting methods to spot deviations from normality, and are relatively easy to interpret as departures from a straight line (Keith, 2006). For the purpose of this study *histogram* test is implemented (See Appendix B).

Third, multiple linear regression assumes that there is *no multi-collinearity* in the data. Multi-collinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables (Keith, 2006). Multi-collinearity of this study is checked by computing *correlation matrix* (Pearson's bivariate correlations) among all independent variables; the magnitude of the correlation coefficients should be less than .80.Since,the correlation matrix result on table 10 revealed that the highest correlation is r=.462.Therefore, *multi-collinearity* is not an issue in this study.

The *last* assumption of multiple linear regressions is *homoscedasticity*. Homoscedasticity refers to equal variance of errors across all the independent variables (Osborne & Waters, 2002). This means that researchers assume that errors are spread out consistently between the variables (Keith, 2006). Statistical software *scatter plots* of residuals with independent variables are the method for examining this assumption (Keith, 2006). Therefore, the homoscedasticity of the study is tested using *scatter* plots (See Appendix C).

#### 3.6. Ethical Considerations

Being ethical means adhering to the code of conduct that has evolved over the years for an acceptable professional practice (Kumar, 2005). The ethical issues to be considered are the same in both quantitative and qualitative research. Ethical issues in research relates to research

participants, researchers and sponsoring organizations. Therefore, the researcher has to be informed the participants about the purpose of the study. And also, the researcher has to be maintaining the participants' privacy, dignity and keeping confidentiality. The collected data will be used for the purpose of this study only.

## **CHAPTER FOUR:**

## DATA ANALYSIS AND INTERPRETATIONS

#### 4.1. Introduction

In this chapter, the data is statistically analyzed using SPSS version 20 and the results are presented in five sections. In the first section the brief overview of the respondents' information presented. Secondly, the reliability and validity of the data presented .Thirdly, descriptive analysis presented. In the fourth section the correlation analysis of the data and finally the regression analysis of the study presented.

#### 4.1.1. Data response rate

The survey was conducted in ethio telecom head quarter and six zonal branches' in Addis Ababa. A total of 371 numbers of structured questionnaires were distributed to the respondents out of which 340 number of questionnaire were returned 32(8.63%) questionnaire were uncollected. Out of the returned 20 questionnaires or 5.12% of it not included in the further analysis due to incomplete and invalid response. Therefore, 321 questionnaires were processed for the analysis of data with a response rate of 86.52% which indicates acceptable survey response rate.

Table 3.1: Sample response per work unit

work Unit		Percentage				
	Administered	Returned	Uncollected	Missing	Analyzed	(%)
CAAZ	42	39	3	2	37	87.87
EAAZ	36	33	3	2	32	86.92
NAAZ	33	30	3	2	29	86.21
SAAZ	31	28	3	2	27	85.66
SWAAZ	51	46	5	3	42	83.49
WAAZ	35	32	3	2	31	86.70
HQ	142	131	11	7	124	87.37
Total	371	340	31	19	321	86.54
Total (%)	100	91.64	8.36	5.12	86.52	

Source: researcher's own compilation of Survey data 2018

# 4.1.2. Reliability and Validity Test

As indicated on table 4.2, the Cronbach's  $\alpha$  values of the job satisfaction facets (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) and turnover intention in this study are in the range of (0.863 to 0.909) all of which are above 0.7, and are consistent with the suggested level of 0.7 by Hair et al. (1998). Hence, the scale has overall stability and consistency.

Table 4.2: Reliability test

Variable	Items	Cronbach's Alpha(variables)
Achievement	4	0.863
Recognition	4	0.866
Responsibility	2	0.873
Advancement	4	0.868
Growth	3	0.863
Work itself	5	0.865
Compensation /Pay	6	0.870
Supervision	7	0.872
Work Conditions	5	0.869
Co Workers	5	0.880
Policies	4	0.871
Job Security	2	0.867
Status	2	0.879
Communication	4	0.873
Turnover Intentions	4	0.909

Source: researcher's own compilation of Survey data 2018

After determining reliability, factor analysis was conducted to determine validity of job satisfaction dimensions and turnover intention scale.

Table 4.3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sam	.821	
Doublattle Took of Culturiaity	Approx. Chi-Square	15099.377
Bartlett's Test of Sphericity	df	1770

Sig. .000

Source: researcher's own compilation of Survey data 2018

(Keiser-Meyer-Olkin) and Bartlett's test of sphericity can be used to examine sampling sufficiency & significance items for each factors. Accordingly the KMO is used in the study to measure the sampling adequacy and examines the degree of relationship among the questionnaire items. The KMO values above 0.60 are considered acceptable. Therefore, the above table result of the KMO measure of sampling adequacy is 0.821 tells us that the sample in this study is adequate. Small values of Bartlett's test (less than 0.05) indicates that the significance of items included for each factor.

# 4.1.3. Descriptive analysis

According to Agresti (2002) statistical methods for variables of one type can also be used with variables at higher levels but not at lower levels. Analysts often utilize the quantitative nature of ordinal variables by assigning numerical scores to categories or assuming an underlying continuous distribution.

The analysis on Table 4.4, shows that descriptive statistics (mean and standard deviation) for level of job satisfaction dimensions and turnover intention. For the purposes of this study, this cut-off score was used to differentiate level, with scores below 3.39 indicating a low level, scores between 3.40 and 3.79 moderate level and scores above 3.8 a high level.

Table 4.4: Descriptive Statistics for the mean, Std.Deviation

	Ν	Minimum	Maximum	Mean	Std. Deviation
Achievement	321	1.00	5.00	3.3185	1.07437
Recognition	321	1.00	5.00	3.1160	.82299
Responsibility	321	1.00	5.00	3.2601	.88922
Advancement	321	1.00	5.00	2.6706	.77756
Growth	321	1.00	5.00	2.9637	1.05165
work itself	321	1.00	5.00	3.2555	.89249
Compensation /Pay	321	1.00	5.00	2.8162	.77475
Supervision	321	1.00	5.00	3.4544	.85750
Work Conditions	321	1.00	5.00	3.1097	.66947
Co_Workers	321	1.00	5.00	4.0991	.54592
Policies	321	1.00	5.00	3.5467	.70000
Job Security	321	1.00	5.00	3.0576	1.03635
Status	321	1.50	5.00	3.2928	.82058
Communication	321	1.00	5.00	3.0911	.81254
Turnover Intentions	321	1.00	5.00	3.5670	.79635
Valid N (Listwise)	321				

Source: researcher's own compilation of Survey data 2018

The researchers deployed, descriptive statistics analysis to understand the level of job satisfaction dimensions and turnover intentions of employees of ethio telecom.

In the above table it can be seen that the mean value of ten independent variables (Achievement =3.3185 (SD =1.07437), Recognition = 3.1160 (SD =.82299), Responsibility = 3.2601 (SD=.88922), Advancement =2.6706 (SD=.77756), Growth= 2.9637 (SD=1.05165), work itself = 3.2555 (SD=.89249), Compensation/Pay = 2.8162 (SD=.77475), Work Conditions = 3.1097 (SD=.66947), 3), Job Security = 3.0576 (SD=1.03635), Status= 3.2928 (SD=.82058) and Communication = 3.0911 (SD=.81254)) have low mean score below 3.39. It can be said that ethio telecom employees have low satisfaction level related to these predictors or in general displaying low level of job satisfaction.

On the other hand three independent predictors; Supervision= 3.4574 (SD= .86175), Co-Workers = 4.0991(SD= .54592), and Policies = 3.5467(SD= .70000) have moderate mean scores between 3.40 up to 3.79. From this, it can be said that respondents' are moderately satisfied in related to these three predictors. Whereas mean score of turnover intention is 3.5670. Hence, it can be said that ethio telecom employees have moderate level of intention to leave the company.

# 4.1.4. Correlation analysis

Correlation coefficient table 4.6,indicates that the direction and strength of job satisfaction dimensions; achievement (r=-.462) ,recognitions (r=-.339), responsibility (r=-.243),advancement (r=-.350), growth(r=-.366), work itself(r=-.381) , compensation(r=-.361), supervision(r=-.283),job security(r=-.419) ,Work conditions (r=-.194), co-workers(r=-0.062), policies (r=-.147), communication (r=-0.095) and status (r=0.0000). Hence, it can be seen that all independent variables except job status have negative relationship with turnover intention. Furthermore, the below table shows factors of job satisfaction that has moderate relationship with employees turnover intention.

Table 4.5: Factors of job satisfaction that has moderate correlation with turnover intention

Rank	Factors of job satisfaction	Effect size (r-value)	Reference
1st	Achievement	462	
2nd	Job security	419	According to Cohen (1988) effect size,
3rd	Work itself	381	Moderate r-value ranges 0.30 to 0.49
4th	growth	366	
5th	compensation	361	
6th	Advancement	350	
7th	Recognition	339	

Source: researcher's own compilation of Survey data 20180.

On the other hand table 4.5, revealed that six job satisfaction factors (supervision, responsibility, Work conditions, policies, co-workers and communication) have weak relationship with dependent variable. Besides, status has no correlation with turnover intention.

Table 4.6: Association of job satisfaction factors with employee turnover intention (Correlations)

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Achievement	1														
Recognition	.570**	1													
Responsibility	.605**	.500**	1												
Advancement	.609**	.449**	.458**	1											
Growth	.708**	.575**	.464**	.637**	1										
Work itself	.683**	.540**	.469**	.557**	.706**	1									
Compensation/ Pay	.476**	.521**	.322**	.468**	.571**	.495**	1								
Supervision	.394**	.530**	.336**	.337**	.465**	.428**	.437**	1							
Work Conditions	.547**	.537**	.275**	.495**	.482**	.593**	.501**	.409**	1						
Co_Workers	.242**	.278**	.258**	.196**	.213**	.209**	.267**	.435**	.226**	1					
Policies	.443**	.475**	.297**	.417**	.381**	.409**	.385**	.339**	.599**	.290**	1				
Job Security	.645**	.490**	.390**	.613**	.587**	.634**	.460**	.296**	.529**	.167**	.440**	1			
Status	.183**	.372**	.170**	.297**	.187**	.156**	.286**	.355**	.380**	.153**	.428**	.249**	1		
Communication	.377**	.353**	.318**	.408**	.363**	.327**	.394**	.357**	.404**	.259**	.569**	.379**	.343**	1	
TurnoverIntentions	462**	339**	243**	350**	366**	381**	361**	283**	194**	062	147**	419**	.000	095	1
**. Correlation is s	ignifican	t at the	0.01 leve	l (2-taile	d).	l	<u>I</u>	l	I	I	<u>I</u>	1	I	1	ш

Source: researcher's own compilation of Survey data 20180.

#### 4.1.5. Regression analysis

Table 4.7, indicates the investigation of the relationship between job satisfaction factors (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication) and turnover intentions. The R value is the correlation coefficient between the dependent variable and the independent variables taken together. The adjusted R square indicates the extent or percentage of the independent variables which can explain the variations in the dependent variable.

As per the multiple regression model result, the R value is .593, which shown that a high degrees of correlation between the dependent variable and independent variables exists, the adjusted R square value of 0.322 showed that those independent variables can explained 32.2 % of the variation in dependent variable i.e. turnover intention is explained by these fourteen predictors; while the rest of 66.9% turnover intention is influenced by other variables which are not

incorporated under this study. Since this model explains only 32.2% of the dependent variable that reveals the model is weak.

Table 4.7: Multiple Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593 <sup>a</sup>	.352	.322	.65567

a. Predictors: (Constant), Communication, Co\_Workers, Status, work itself, Responsibility, Compensation /Pay, Supervision, Advancement, Policies, Job Security, Recognition, Work Conditions, Growth, Achievement

b. Dependent Variable: Turnover Intentions

Source: researcher's own compilation of Survey data 2018

Table 4.8: ANOVAa

Mo	odel	Sum of Squares df		Mean Square	F	Sig.
	Regression	71.386	14	5.099	11.861	.000 <sup>b</sup>
1	Residual	131.549	306	.430		
	Total	202.935	320			

a. Dependent Variable: Turnover Intentions

Source: researcher's own compilation of Survey data 2018

Table 4.8, shows the ANOVA test on the general significant of the model. The result revealed that the set of predictors is statistically significant at predicting turnover intention, with F-statistic=11.861 and P-value (Sig. = 0.000) is less than alpha value 0.05. Therefore, the independent variables are significant to explain the variance in turnover intention.

b. Predictors: (Constant), Communication, Co\_Workers, Status, work itself, Responsibility, Compensation/Pay, Supervision, Advancement, Policies, Job Security, Recognition, Work Conditions, Growth, Achievement

Table 4.9: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	В	Std. Error	Beta		
1 (Constant)	4.086	.318		12.859	.000
Achievement	274	.061	370	-4.499	.000
Recognition	116	.067	120	-1.734	.084
Responsibility	.101	.056	.113	1.812	.071
Advancement	133	.070	129	-1.894	.047
Growth	132	.061	175	-2.151	.032
Work itself	053	.069	060	769	.442
Compensation Pay	224	.064	218	-3.526	.000
Supervision	190	.058	204	-3.274	.001
Work Conditions	131	.069	136	-1.921	.041
Co-Workers	.128	.077	.108	1.825	.071
Policies	013	.076	012	176	.860
Job Security	166	.053	216	-3.110	.002
Status	.129	.054	.141	1.892	.063
Communication  a. Dependent Variable: Turn	130	.058	138	-1.920	.072

a. Dependent Variable: Turnover Intentions

Source: researcher's own compilation of Survey data 2018

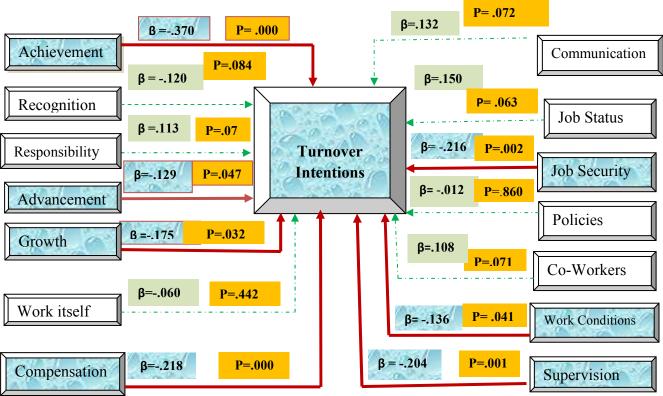
Table 4.9, shows the extent to which each independent variables influence the dependent variable. The result shows the regression coefficient (beta) that has negative sign indicates the independent variables have negative impact on turnover intention. On the other hand, a positive sign of regression coefficients indicate positive impact.

The beta coefficient values shown on table 4.9, indicated that achievement has a coefficient of (-.370), compensation has a coefficient of (-.218), supervision has a coefficient of (-.204), job security has a coefficient of (-.216), growth has a coefficient of (-.175), work condition has a

coefficient of (-.130) and advancement has a coefficient of (-.129) with significant p-value < 0.05 for all those seven predictors. Hence, these predictors (achievement, compensation/pay, supervision, job security, growth and advancement) have a negative relationship with employee turnover intention. It also has a significant impact (contribution) on turnover intention. Therefore, it can be said that the increase or decrease of the value of those variables has a significant impact on the level of employee turnover intention at ethio telecom.

The remaining factors of job satisfaction factors; recognition has a coefficient of (-.120), work itself has a coefficient of (-0.054), policies has a coefficient of (-0.019), status has a coefficient of (.150), communication has a coefficient of (.138), co-workers has a coefficient of (.108) and responsibility has a coefficient of (0.113) with significant p-value > 0.05 for all those seven predictors. As a result, these predictors have no significant effect on turnover intention. It can be said that the increase or decrease of the value of those variables have no significant impact on the level of employee turnover intention at ethic telecom.

Figure 2: Structural Model of the study



Source: researchers own compilation of Survey data 2018

The above figure revealed that achievement, advancement, growth, Compensation/Pay, Supervision, work condition and job security have a significant impact on turnover intention with the level of p-value <0.05.(i.e. significance represent by solid array). Whereas the other predictor variables; recognition, responsibility, work itself, co-workers, policies, status, and communication have insignificant impact on turnover intention with the level of p-value > 0.05. (i.e. insignificance represents by broken array).

As the result of this the above figure, it can be said that achievement, Compensation/Pay, job security, and Supervision have contribute high to the variation of employees' turnover intention at ethio telecom from the higher to lower compare to other predictors under study. From this result we can say that both intrinsic (achievement, advancement & growth) and extrinsic (Compensation/Pay, Supervision, work condition and job security) job satisfactions have an inverse relationship and effect on employees' turnover intention. Mahdi et al, (2012) stated that both forms of job satisfaction (intrinsic and extrinsic satisfaction) have inverse relationship on employees' turnover intentions. Even though, intrinsic job satisfaction has stronger influence on turnover intention. Existence of extrinsic job satisfaction also must be considered in measuring intention to quit.

#### **CHAPTER FIVE:**

# SUMMARY OF FINDINING, CONCLUSION AND RECOMMENDATION

# 5.1. Summary of Findings

The main purpose of the study was to evaluate the effects of job satisfaction on turnover intentions among the employees of ethio telecom.

The study was conducted using descriptive survey method. It employed reliability and validity test to confirm the stability, consistence, sampling adequacy and the strength of degree of relationship among the questionnaire items. After the reliability and validity test, the study applied descriptive, correlation and regression techniques of analysis using SPSS version 20(Statistical Package for Social Science). The survey was conducted in ethio telecom at head quarter and six zonal branches in Addis Ababa. A total of 371 numbers of structured and self-administered questionnaires were distributed and 321 of them were successfully collected with a response rate of 86.52%. This study utilized questionnaires consists of 64 items categorized into two sections where 4 items were for demographic variables,14 predictors which consists of 56 items and 1 dependent variable which consists of 4 items. Independent and dependent variable items utilized five point Likert-scale ranked from strongly disagree to strongly agree where 1 - "strongly disagree", 2 - "disagree", 3 - "neutral", 4 - "agree" and 5 - "strongly agree.

After the reliability and validity test of the independent and dependent variables confirmed .The researcher applied descriptive statistics analysis to evaluate the level of job satisfaction and the level of employees' turnover intention as well as to identify the major factors of job dissatisfaction that contribute more to employees' turnover intention. The second data analysis method used by the researcher was the correlation analysis method to measures the directions and strength of the relationship between two variables. The researcher also implemented multiple regression analysis to understand to what extent the level of job satisfaction affects employees' turnover intention at ethio telecom.

Based on the analysis and interpretation of the data the researcher presented the summary of the major findings as shown below:

The first findings of the study (descriptive analysis) showed that the mean value of 11 job satisfaction factors (achievement, recognition, responsibility, advancement, growth, work itself, compensation/pay, work conditions, job security, job status and communication) have low mean score below 3.39 which indicates respondents feels that relatively less satisfied on these predictors or it can be said that employees' of ethio telecom have low level of job satisfaction. Therefore, these predictors are contributing factors for employees' turnover intention at ethio telecom. Furthermore, among these predictors; advancement, compensation/pay and growth had the lowest mean value scored 2.6706, 2.8162, and 2.9637 respectively.

The second findings of the study using correlation analysis revealed that nine factors of job satisfaction (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision and job security) have moderate ,negative and significant relationship with turnover intention, While the other three independent variables (Work conditions, coworkers and communication) have weak ,negative and significant relationship with employee turnover intention. Besides; job status has no relationship and policy has negative and insignificantly associated with turnover intention.

The third findings of the study using regression analysis showed that the adjusted R square value of 0.322 depicting 32.2 % of the variation in employees' turnover intention is explained by the factors of job satisfaction used in this study, while the rest of 66.9% turnover intention is influenced by some other variables.

More specifically, the regression coefficient (beta) also showed the extent to which each independent variables influence the dependent variable. Accordingly, achievement, compensation/pay, supervision, job security, growth, work condition and advancement have a negative and significant beta values at the level of P<0.05. Therefore, it can be said that the increase or decrease of the value of these factors of job satisfaction had a negative and significant impact on the level of employees' turnover intention at ethio telecom.

Amongst these factors of job satisfaction, achievement, Compensation/Pay, job security, and Supervision have contribute relatively high impact to the variation of turnover intention with

Beta value -0.370,-0.224,-.218, and -.204 respectively. More clearly speaking, a 100% improvement in achievement results in reducing the intention of employees to leave by 37%, a 100% improvement in compensation results in reducing the intention of employees to leave by 22.4%, a 100% improvement in job security results in reducing the intention of employees to leave by 21.8% and a 100% improvement in Supervision results in reducing the intention of employees to leave by 20.4%.

#### 5.2. Conclusion

With respects to the above summary of findings the following points could be concluded:

- The predictor variables(achievement, recognition, responsibility, advancement, growth, work itself, compensation/pay, work conditions, job security, job status and communication are contributing significantly to employees' turnover intention and the existing level of job satisfaction is low at ethio telecom.
- Among these factors of job satisfaction; advancement, compensation/pay and growth had
  the lowest mean value scored and these three factors playing a major role for employees'
  turnover intention at ethio telecom compared to other job satisfaction factors considered
  in this study.
- The predictor variables (supervision, co-workers, and Policies) had moderate mean scores between 3.40 up to 3.79. These predictors are contributing insignificantly to employees' turnover intention and the existing level of job satisfaction is moderate at ethio telecom with respects to these factors. Whereas the overall mean score of turnover intention is 3.5670. This reflects that ethio telecom employees having a moderate level of intention to leave the company.
- The correlation analysis also showed that the predictor variables (achievement, recognition, responsibility, advancement, growth, work itself, compensation/pay, work conditions, co-workers, job security, policies, and communication) have moderate, negative and significant relationship with turnover intention at ethio telecom.
- The regression analysis result also revealed that 32.2 % of the variation of employees' turnover intention is explained by the factors of job satisfaction used in this study, while the rest of 66.9% turnover intention is influenced by some other variables.

- More specifically, the regression coefficient (beta) also showed the *extent* to which each independent variables (achievement, compensation/pay, supervision, job security, growth, work condition and advancement) have a negative and significant beta values at the level of P<0.05. Therefore, the increase or decrease of the value of these factors of job satisfaction had a negative and significant impact on the level of employees' turnover intention at ethio telecom.
- From the regression analysis result; achievement, Compensation/Pay, job security, and Supervision have contribute relatively high impact to the variation of employee turnover intention at ethio telecom. More clearly speaking, a 100% improvement in achievement results in reducing the intention of employees to leave by 37%, a 100% improvement in compensation results in reducing the intention of employees to leave by 22.4%, a 100% improvement in job security results in reducing the intention of employees to leave by 21.8% and a 100% improvement in Supervision results in reducing the intention of employees to leave by 20.4%.

#### 5.3. Recommendation

Job satisfaction is one of the primary reasons for employees to quit their jobs in an organization Barak et al (2001). When employees leave an organization, they take knowledge capital, relationships and investments along with them. Intelligent employers never undermine the importance of retaining the best talent. Business strategies in general and HR policies and practices in particular must be framed in such a way that they ensure retention of key performers. Therefore, in order to achieve the company mission and strategic goals ethio telecom should work continuously to attract, develop, manage, motivate and retain committed employees. In view of the above discussion, the following suggestions are recommended to the policy makers and /or ethio telecom management (from highest to lower level management) in general and HR in particular which will help to increase level of employees' job satisfaction and in turn reduce level of employees' turnover intention at ethio telecom.

1. The finding of the study showed that ethio telecom employees have low level of job satisfaction which expressed in its factors ;achievement, recognition, responsibility, advancement, growth, work itself, compensation/pay, work conditions, job security, job status and communication. Thus, it is recommended that ethio telecom human resource division:

- Has to continue conducting the annual employee satisfaction survey for the total staffs by providing delegation for regional and zonal HR teams rather than monitoring central which helps to increase respond rates. Therefore, based on the survey result the managements should take appropriate remedy action.
- Personal management functional unit should make exit interview for employees who leave the company voluntarily, so this helps to know partially the reasons of the employees' turnover and helps managements to take appropriate action for the problem.
- Develop proper human resource management retention policy and strategy to reduce turnover intention as a result to retain key performer employees.

The first findings of the study also showed that advancement; compensation/pay and growth with the lowest mean score were the major factors of job satisfaction found to be playing a major role for employees' turnover intention at ethio telecom compared to other job satisfaction factors considered in this study. Therefore, it has been recommended that ethio telecom management in general and HR in particular:

- Should develop human resource management policy and procedure manual that includes all HR functions. Specifically, training and development department has to develop career growth and career advancement opportunities policy and procedure manual which can guarantee employees on; development of skills and abilities, fairness of promotion opportunities, and transparency of promotion functions.
- Should conduct market analysis on the inflation of money and also analyze ethio telecom compensation system fairness and competitiveness (specifically compensation department has to do it). Based on the analysis result the executives and corporate governors have to give decision that help to build fair, competitive compensation and benefit packages of ethio telecom. According to Lai (2011), an efficient compensation system leads in organizational growth and development which reveal a positive correlation between job satisfaction and skill based pay, job based pay and performance based pay which helps to increases job satisfaction and reduce turnover intention.
- 2. The second findings revealed that factors of job satisfaction; achievement, recognition, responsibility, advancement, growth, work itself, compensation/pay, work conditions, coworkers, job security, policies, and communication were found to be negatively and significantly associated with employees' turnover intention at ethio telecom. Among these factors

achievement, Job security, and Work itself were found negatively and significantly associated with employees' turnover intention with the highest r-value respectively. Therefore, it has been recommended that ethio telecom:

- Managements (the highest to lower level managements) have to acknowledge employees achievements and accomplishments on a daily, weekly, monthly and annual basis. In addition to this, executing a formal program to recognize top achievers in every job category is essential. Furthermore, these acknowledgements create healthy competition environment among employees that helps to increase satisfaction and reduce turnover intention.
- Executive management and HRD should develop management member administration policy and procedure manual which can guarantee management members on; fair promotion opportunities, demotion without reason (position, salary and benefit) fire without any justification and in general job security. The corporate governor is responsible to approve and monitor the proper implementation of policy.
- HRD has to make the nature of the work more challenging and inspiring by doing job enrichment, job enhancement and job enlargement in order to increase employees' job satisfaction level in turn to reduce employees' turnover intention. Samuel E.M. (2012) confirmed that the higher the satisfaction with nature of work the lower the employee turnover intention.
- 3. The third findings using regression analysis also showed the increase or decrease of the value of the predictor variables (achievement, compensation/pay, supervision, job security, growth, work condition and advancement) had a negative and significant impact on the level of employees' turnover intention at ethio telecom. More specifically (achievement, Compensation, job security, and Supervision) have contributed relatively high impact to the variation of employee turnover intention at ethio telecom. Therefore, it has been recommended that ethio telecom:
  - Management in general and Sourcing and facility division in particular has to create standardize working environments; standardize office, office equipment ,furniture, office layout, proper lighting, free of noise, clean restrooms, free of toxic substance and their exposure as well as other health and safety provisions depend on the nature

of the work. That helps to increase job satisfaction in turn reduces employee turnover intention.

• Managements (highest to the lower level supervisors) have to play their supervisory role in organizations by enforcing the practices and rule with subordinates applying some level of flexibility. Employees under the same law enforcement but working in different departments can perceive the same rule and procedures in a different way due to different supervisor's management styles. The HRTDD has to develop different types of leadership and supervisory trainings. Also HRD and other divisions have to follow up the delivery of the training as per the plan. In addition, they have to give the chance to the trainee to implement the skilled and measure its impact.

#### 5.4. Limitation and Future Research

## Limitation of the research

The limitation of the study were respondent's might be reluctant to express their true feelings about the questions asked, busy people were not want to take the time, try to help by giving pleasant answers, so conclusion and recommendation of the findings might be affected and also lack of the researcher's experience affected the research work. Furthermore, other factors that may influence ethio telecom employees' turnover intentions not measured.

## Suggestions for Future Research

The study found out that 32.2 % of the variation in employees' turnover intention is explained by factors of job satisfaction (achievement, recognitions, responsibility, advancement, growth, work itself, compensation, supervision, work conditions, co-workers, policies, job security, status, and communication); while the rest of 66.9% turnover intention is influenced by other variables outside the variable under study.

Therefore, the results presented in this study are not inclusive of different factors that affect employees' turnover intention and all ethio telecom employees. Therefore, future research needs to be done considering the factors under this study in ethio telecom and/or other sectors of the country.

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# **Appendices**

# Appendix A: Research Project survey questionnaire

# Addis Ababa University College of Business & Economics Management Department EMBA Program

Dear Respondent

This questionnaire is designed to collect data for the master thesis on the topic "The effects of job satisfaction on employee's turnover intentions" the case of ethio telecom to fulfill the partial requirements of the Executive Master of Business Administration (EMBA) degree in Management.

The purpose of this study is to evaluate, how the job satisfaction affects employees turnover intentions. Therefore, your genuine response and willingness to participate in this research undertaking is highly appreciated. Since this research is only for academic purpose authorized by the Addis Ababa University, be sure that the information you provide will be kept confidential. Hence it is not necessary to write your name. Your participation is of great value for the success of this study, and therefore, I would like to thank you in advance for your kind cooperation in filling to this questionnaire.

If you have any question regarding this questionnaire, please contact

Wondirad Bitew

Mobile No.0911500539

# Part I. General Information

<b>Please</b> put sign $(\checkmark)$ in the box for the choice appropriate for you.					
I. Sex: ☐ Female ☐ Male					
2. Level of education: □ Diploma □ B.A/ B.Sc. □M.A. /M.Sc. □ PHD □ other					
3. Total years of experiences in ethio telecom					
$\square$ 0-5 $\square$ 5-10 $\square$ 10-15 $\square$ More than 15 above					

4. What is your job level in ethio telecom?

# Part II- Please Rate These Questions Based On Your Opinion

# SD = Strongly Disagree, D= disagree, N= Neutral, A= Agree, SA= Strongly Agree

	Variables/Item	SD	D	N	A	SA		
	Job Satisfaction	•	•					
Achievement								
1	I like the feeling of accomplishment I get from the job							
2	I am proud to work in ethio telecom because it recognizes my							
	achievements							
3	I feel satisfied with my job because it gives me feeling of							
	accomplishment							
4	I feel I have contributed towards ethio telecom goals							
	Recognition	<u> </u>				<u> </u>		
1	I feel appreciated when I achieve or complete a task							
2	My boss/ manager /supervisor always thanks me for a job well done							
3	I receive adequate recognition and rewards for a job well done							
4	I like the recognition I get for doing my job well							
	Responsibility	ı				<u>I</u>		
1	I like the freedom to use my own judgment							
2	I have opportunity for independent thought and action							
	Advancement	l.				<u> </u>		
1	I will choose career advancement rather than monetary incentives							
2	My job allows me to learn new skills for career advancement							
3	There is a good promotion and career prospect to right candidate in							
	ethio telecom							
4	Experience, skills & Performance are well recognized in ethio telecom							
	Growth	1				1		
1	I am proud to work in ethio telecom because I feel I have grown as a							
	person							
2	My job allows me to grow and develop as a person							

	Variables/Item	SD	D	N	A	SA
3	My job allows me to improve my experience, skills and performance					
	The work itself		1 1			
1	I have a lot of variety in tasks that I do					
2	I am empowered enough to do my job					
3	My job is challenging and exciting					
4	I feel that the amount of work I am expected to do is reasonable					
5	I always feel that my contribution is important in achieving					
	organization mission,					
	Compensation /Pay	ı	1 1		<u> </u>	<u> </u>
1	I am satisfied with the company salary scheme					
2	Ethio telecom supports me on my career development through incentives					
3	Ethio telecom provides excellent fringe benefit package (medical,					
	insurance, allowance, leaveetc).					
5	I receive an additional payment if I do additional work.					
6	I am fairly paid for what I contribute to ethio telecom					
	Supervision		1 1			
1	My immediate boss enables me to perform at my best capacity					
2	My immediate boss promotes an atmospheres of teamwork					
3	It is clear to me what my immediate boss expects of me regarding my					
	job performance					
4	My immediate boss provides me with actionable suggestions with what					
	I can do to improve					
5	When I have questions or concerns my immediate boss is able to address					
	them					
6	I feel satisfied at work because of my relationship with my immediate					
	boss					
7	My immediate boss are strong and trustworthy leaders					
	Work Conditions	1				
1	My job able to keep me busy all the time					
L	I	1	1			<u> </u>

	Variables/Item	SD	D	N	A	SA
2	I have to work hard at my job because of the incompetence of people I					
	work with					
3	I feel satisfied because of the comfort I am provided at work					
4	At work, I have the necessary equipment and tools to facilitate my job.					
5	At work, ethio telecom provides an independent and healthy work					
	environment.					
	Co-Workers	ı				
1	It is easy to get along with my colleagues					
2	My colleagues are cooperative and friendly					
3	I enjoy my co-workers					
4	My Colleagues are important to me					
5	I have good interactions with my coworkers and supervisor					
	Policies					
1	I clearly understand the policies and strategies of ethio telecom					
2	Ethio telecom's policy is favorable for its workers					
3	I completely understand the mission of ethio telecom					
4	Ethio telecom's business process assists me in doing a good job					
	Job Security	ı	1			
1	I believe safe working at my workplace					
2	I believe my job is secure					
	Status	ı	1			
1	I give more preference to my position then benefits					
2	I have the chance to be somebody in the community					
	Communication	ı	<u> </u>		I	
1	Employees are regularly informed of major corporate projects, financial					
	results, new products and/or services, technological changes aheadetc					
2	There is good communication from employees to managers in ethio					
	telecom					
3	Employees' suggestions are taken into consideration at ethio telecom					

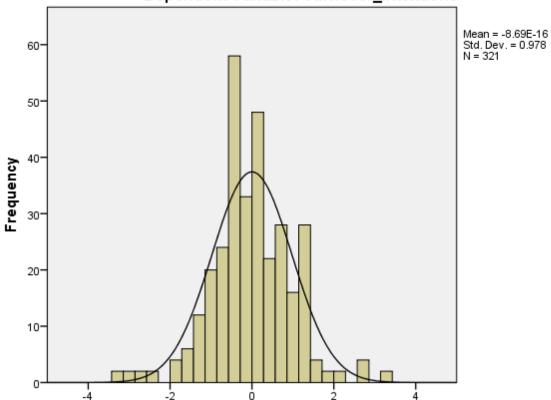
	Variables/Item	SD	D	N	A	SA	
4	In my work unit, employees are regularly informed of the criteria used						
	for their performance evaluation						
	Turnover Intentions						
1	I hear about jobs outside my company that interests me						
2	I often consider leaving my current job.						
3	I intend to quit my current job.						
4	I have already started to look for other jobs.						

Thank you for your time!!!

# Appendix B: Histogram

# Histogram

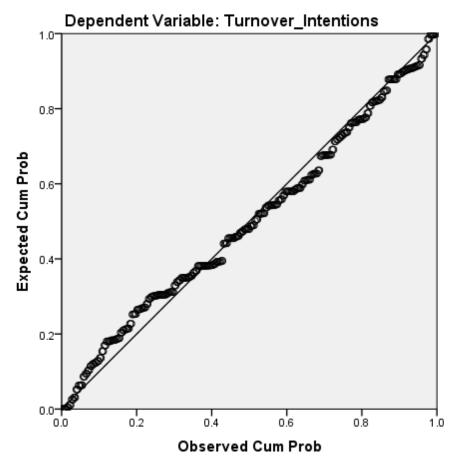
# Dependent Variable: Turnover\_Intentions



Regression Standardized Residual

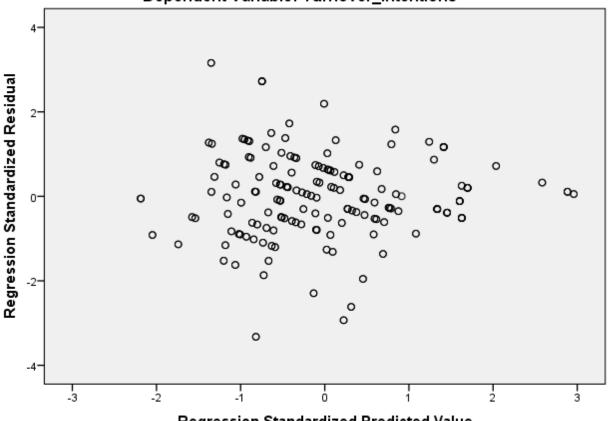
# **Appendix C**: Normal P-P Plot

Normal P-P Plot of Regression Standardized Residual



# **Appendix D: Scatterplot**

Scatterplot Dependent Variable: Turnover\_Intentions



Regression Standardized Predicted Value