

# Cause of employees' turnover intention in government bureaus in Ethiopian: The case of Dire Dawa Administration

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**Abstract:** *The objective of this study is to explore the major factors that influence turnover intention among permanent employees in Dire Dawa Administration in three government bureaus namely; trade, industry and investment bureau, land development management bureau and urban development bureau. It aims to identify the most significant determinants influencing the employees' turnover intention in these government bureaus. A total of 286 permanent employees as a respondent were involved in this study by using a census method. Three independent variables that are promotion opportunities, professionalism and organizational commitment were included to assess their relationship with dependent variable which is turnover intention. Data was obtained through structured questionnaires and has been analyzed using Statistical Package for Social Sciences (SPSS) version 20. The regression analysis of promotion opportunities, professionalism and organizational commitment on turnover intentions indicated negative and significant relationship. This proved that all factors are indirectly related to employees' turnover intention which is consistent with the previous other research findings. The finding of this study also suggested that 'promotion opportunities' are the most significant factor influencing employees to quit their jobs among the permanent employees working in these three government bureaus in Dire Dawa Administration. Organizational commitment and professionalism played the second and third rank, respectively, for the turnover intention of employees. Therefore, the respective government bodies need to give high attention to 'promotion opportunities, professionalism and organizational commitment' so as to hold the experienced and qualified employees in the long run.*

## INTRODUCTION

The success and growth of any organization highly depends on the effectiveness of its employees. Whatever the organizations invest a lot of resources into its core operations or/and activities, success in the long run cannot be achieved without a highly effective human resources. However, turnover of employees from their workplace is one of the biggest challenges for any organization regardless of its nature and have far lasting effects. Turnover has been seen as a serious issue especially in the field of human resources management as it brings destruction to the organization in the form of direct and indirect cost and affects profitability (Hassen, 2014). Abbasi, et al (2008) stated that turnover is expensive since organization has to incur serious of costs for the process of advertising, recruitment, selection and hiring to fill the vacant position. Unfortunately, despite the employees' turnover is such a serious problem around the world and various researchers tried to investigate this problem; it has not yet decreased (Husain, et al, 2015). Turnover intention is employee's plan to leave the current job and look onwards to search another job in the near future. It is one of the principal predictors and an immediate indication of employees' turnover.

Various factors differently affect the employees' intention to leave their job based on the internal and external contextual reality of the organization.

This study included three variables which are promotion opportunities, professionalism and organizational commitment. It focuses on investigating the relationship of employees turn over intention against the given variables and identifies the most significant factors influencing the turnover intention.

The study gives emphasis on three government bureaus found in Dire Dawa Administration namely trade, industry and investment bureau, land development management bureau and urban development bureau. According to the sources from Dire Dawa public service and human resource development bureau, the rate of employees' turnover within one fiscal year in Ethiopian calendar (July 2008 to June 2009) was very significant and had a direct consequence on the organizational performance. As the government figure illustrates, the total employees' turnover in trade, industry and investment bureau was 16.15% from the total permanent workers of 130. Similarly, during the same period, 23.1% of employees (from the permanent employees of 104) have quitted their job in land development management bureau. Finally, the percentage of employees' turnover in urban development bureau was 10.39% from the permanent employees of 77. This implies that the rate of employees' turnover in these government bureaus needs attention and identification of intentions that force employees to leave their job need to be assessed.

## Objectives of the Study

1. To investigate the factors that influence turnover intention among existing permanent employees of the organization.
2. To identify the most significant factors influencing the turnover intention among existing permanent employees of the organization.
3. To make recommendation, if any, to the company to overcome turnover intention among the permanent employees of the organization.

### Literature review

#### Turnover Intention

Many theoretical and empirical literatures has identified various factors and/or reasons responsible for employees' turnover intention. AlBattat, S. and Som, M. (2013) mentioned that turnover intention is the crucial stage before the actual turnover occurs. Unmet expectations can lead to turnover intentions which force the employee to ultimately quit. Employee intent to leave can influence the turnover decision. Some time, it directly leads to it even when other job opportunities are not available. In another time, it influences actual turnover indirectly by leading the employee to search for new job alternatives which results to the termination of their work. Employees switch organizations for several reasons that managers and researchers are trying to find out (Hassan, 2014).

#### Promotion Opportunities

Many management theorists have given emphasis to promotion opportunities and the potentials for growth to enhance employees' organizational performance (Kim, 2012). When the organization needs to retain their experts, they might need to consider in offering their future employment in the organization as a consequence of their greater mobility. In the framework of the present research, this can be done through the rewards that the organization distributes, especially various promotion opportunities. The perceived career opportunities outside the organization and low level of career advancement opportunities within the organization increases the employee's intentions to leave the organization (Stahl, et al., 2009). According to Weng, et al., (2010) mentioned that employee organizational career growth could be captured by four factors: (i) career goal progress-the degree to which one's present job is relevant to and provides opportunities for one to realize their career goals (ii) professional ability development- the extent to which one's present job enables them to acquire new skills and knowledge (iii) promotion speed-an employee's perceptions of the rate and probability of being promoted and (iv) remuneration growth- employee perceptions of the speed, amount, and likelihood of increases in compensation.

*Hypothesis 1 (H1): There is a significant negative relationship between promotion opportunities and employees' turnover intention.*

#### Professionalism

Professionalism may influence turnover. In the organization that has bureaucratic control over professional norms may promote employee to exit. Many sociologists considered that bureaucratic involvement in the organization conflict with professional standards and ethical codes, deteriorating people's commitment to an organizational (Abbott 1988; Kramer 1974; Raelin 1986).

*Hypothesis 2 (H2): There is a significant negative relationship between professionalism and employees' turnover intention.*

#### Organizational Commitment

Organizational commitment is the bond that links the organization and the workers. Usually it is conceptualized into affective connection to organization to be considered as significance of an individual within the organization in sharing the organization's values, which shows their desire to endure in the organization besides their willingness to enhance effort towards organization (Yucel, 2012). Organizational commitment is an important factor in the study of employees' intention to leave. This is because there is a popular belief that the more committed the employee the more likely he or she will be loyal to the organization. Having the employees with a high level of organizational commitment is a valuable bonus for the company since these highly-committed employees would feel that they owe so much to the organization, in return, they would be less likely to leave their job (Omar, et. al., 2012). According to the study of Jehanzeb and Rasheed (2013), there is strong and negative relationship between organizational commitment and turnover intentions of an employee. Other previous studies also confirmed that organizational commitment is negatively related with turnover intentions (Addae and Parboteeah, 2008). Similarly, Hussain, and Asif (2012) mentioned that strong organizational commitment derives and shapes organizational culture which promotes a sense of belongingness and ownership among employees. This is essential for being satisfied, productive and loyal employees.

*Hypothesis 3 (H3): There is a significant negative relationship between organizational commitment and employees' turnover intention.*

#### Methodology of the Study

The researchers applied both the descriptive and inferential statistical methods. The descriptive statistics includes frequency, percentage and mean while the inferential statistics embraced correlation analysis and multiple regression methods.

The inferential statistical method is used to examine the relationship and the direction of study variables with employees' turnover intention. Both the descriptive and inferential techniques conducted with the help of statistical software called SPSS (Statistical Package for Social Science) version 20.

#### Population

The researchers included 311 permanent employees who are working in three governments bureaus of Dire Dawa Administration: trade, industry and investment bureau, land development and management bureau and urban development bureau by using a census method. However, from the total population only 286 were returned back and analyzed accordingly.

#### The Instrument of the Research

The researchers used structured questionnaires to collect adequate data. The majority of questionnaires have been developed through adoption from various sources while some others modified and self-constructed. The statements has prepared according to each variable and sought responses in relation to the influence each would have on the respondent's intention to leave the organization. It consists of two sections. In the first section, questionnaires were designed to get information on the demographics of the respondents mainly gender, age, level of education, years of experience and marital status. The questionnaires used the multiple-choice question where the respondents have to choose the most suitable answer that is related to them.

While in the second section, the questionnaires were developed using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5) for each of the statements. It comprises several statements and questions designed to examine the responses on how strongly respondents agree/disagree towards it. The questionnaire which is equipped with instructions is then distributed among the permanent employees who are working in three government bureaus of Dire Dawa Administration: trade, industry and investment bureau, land development and management bureau and urban development bureau. Promotion opportunities, professionalism and organizational commitment are identified as independent variables where as turnover intention regarded as dependent variable. Six items adapted from Mowday, et al (1982) have been used to measure 'promotion opportunities.' Similarly, the researchers assessed 'professionalism' by the indicators developed by Mei-Fang, et al (2011). The constructs contains seven items. The instruments used to measure 'the organizational commitment' were adapted from Lait and Wallace (2002) and the constructs has a total of six items.

Finally, seven-items adapted from Mousavi Davoudi, S. &Fartash, K. (2013) and Mei-Fang, et, al., (2011) to measure the dependent variable which is 'turnover intention.'

### Reliability

The researchers conducted a reliability analysis for promotion opportunities, professionalism, organizational commitment and turnover intention. The following table shows the reliability analyses of the study and the results indicate that the reliability coefficient of all variables exceeds 0.7. According to the Sekaran and Bougie (2009) the values above 0.7 are considered as acceptable. This shows that the instrument was reliable and it is possible to apply different statistical tests and consequently interpret the result with confidence.

Table 1: Reliability analysis of the indicators

Variables	Items	Cronbach's Alpha
Promotion opportunities	6	0.731
Professionalism	7	0.767
Organizational commitment	6	0.783
Turnover intention	7	0.816

### Results and discussions

The following table shows the demographic results of the respondents.

Table 2: Demographic profiles of respondents (N=268)

Demographic variables	Categories	Frequency	Percent
1. Sex	male	166	58
	female	120	42
	18-25 years old	58	20.3
2. Age	26-35 years old	122	42.7
	36-45 years old	58	20.3
	above 46 years old	48	16.8
3. Education	11-12 grade	23	8
	certificate	26	9.1
	degree	83	29
	masters	153	53.5
4. Experience	doctoral	1	0.3
	1-3 years	130	45.5
	4-7 years	78	27.3
	8-11 years	37	12.9
	above 12 years	41	14.3

5. Marital status	married	159	55.6
	single	110	38.5
	divorced	11	3.8
	not married	6	2.1

Based on the data collected, 58 % or 166 respondents were male followed by female respondents (122 respondents or 42%). In term of age category, the majority (122 or 42.7 %) respondents are aged between 26-35 years old followed by the age category of 18-25 years and 36-45 years old with 20.3% (58 respondents each). The remaining 16% (48 respondents) lies above the age of 46 years old. As far as education level concerned, majority of the participants are master holder which consists of 153 respondents and owns 53.5% of the total respondents. In case of employees' work experience, most of the respondents which represent 45.5 % (130 respondents) are having working experience below 3 years. Finally, with regard to the marital status, majority of the respondents are single which owns 130 respondents that represent 38.5 % from the total respondents.

**Table 3:** Descriptive Statistics of variables

Independent variables	N	Mean	Std. Deviation
Promotion opportunities	268	3.70	0.65
Professionalism	268	3.04	0.79
Organizational commitment	268	2.89	0.80
<b>Dependent variable</b>			
Turnover intention	268	3.71	0.62

According to the above table (table 3), all variables (both independent and dependent) has mean value of more than the average. From the three independent variables, 'promotion opportunities' has the highest mean value (mean=3.7). This means that the employees are highly influenced to leave their job as a result of lower level opportunities for promotion in their working place. 'Professionalism' and 'organizational commitment' has the mean value of 3.04 and 2.89 respectively. Overall, the dependent variable with mean 3.71 indicates that there is high level of employees' intention to leave their organization due to insufficient level of promotion opportunities, professionalism and organizational commitment in three government bureaus; trade, industry and investment bureau, land development management bureau and urban development bureau.

**Table 4:** Regression results

	coefficients			
	b	std. error	t	sig.
(constant)	0.259	0.64	4.05	0.000
Promotion opportunities	-0.93	0.13	-69.3	0.000
Professionalism	-0.415	0.15	-27.67	0.000
Organizational commitment	-0.217	0.045	-4.82	0.000
R <sup>2</sup>	0.946			
Adjusted R <sup>2</sup>	0.945			
R	0.972 <sup>b</sup>			
F	1638.8			
Significance F change	0.000 <sup>b</sup>			

Table 4 reflects the regression model that was developed by turnover intention as the dependent variable and the following factors as the independent variables: promotion opportunities, professionalism and organizational commitments.

All independent variables had significant value less than 0.05 (0.000, 0.000 and 0.000 respectively). Thus, all variables are making a statically significant unique contribution to the prediction of the dependent variable which is turnover intention. The R<sup>2</sup> for this model shows 0.946. This means that almost 94.6 percent of the variance dependent variable is explained by the variation in the independent variables.

The regression analysis revealed that 'promotion opportunities' had negative and significant relationship on turnover intentions (beta = -0.93) and it supports the first hypothesis (H1) of the study.

That is, turnover intention is low if the employees perceived high level of promotion opportunities and this finding is in line with previous study done by (Stahl, et al., 2009).

Similarly, the regression results also indicated that there is a significant and negative relationship between professionalism and turnover intention and it consistent with Chang et.al (2013) findings and further supported the second hypothesis (H2). This means the greater the organization keep the employees' profession to do their job with little bureaucratic interference, the lesser the turnover intention.

Furthermore, organizational commitment had a negative and significant relationship with turnover intentions with (beta = -0.217). The finding supports the third hypothesis (H3) and is closely parallel to earlier finding of Jehanzeb and Rasheed (2013) as turnover

intention is low when the employees perceived high level of organizational commitment. Therefore, it is very important to apply the right human resources policies to increase employees' organizational commitment and decrease subsequent turnover intention.

Finally, beta values have been used by the researcher in comparing the contribution of each independent variable in order to identify the most significant factors influencing the turnover intention among existing permanent employees of the three government bureaus. Based on this regressions analysis, the largest beta coefficient is 0.93, which is 'promotion opportunities.' This means that 'promotion opportunities' is the most significant factors influencing the turnover intention of employees. Besides, professionalism recorded as the second largest beta value (beta = 0.415).

Meanwhile, the third significant factor influencing turnover intention is organizational commitment with (beta = 0.217).

### Conclusion and recommendations

The objective of this study was to find out the effect of promotion opportunities, professionalism and organizational commitment (as independent variables) on the employees' turnover intention (as dependent variable). The researchers used linear regression analysis to find the effect of each independent variable on dependent variable.

According to the finding of the study, all the three independent variables greatly affect employees' turnover intention in three government bureaus of Dire Dawa Administration; namely: trade, industry and investment bureau, land development management bureau and urban development bureau.

The employees' turnover intention will continue to be one of the major challenges for these government bureaus since there has been low measures taken by the concerned body to alleviate the problem so far. Employees' intent to leave their job so long as they get jobs that has better promotional opportunities in comparison with the available opportunities within the current working area.

The availability of excess bureaucratic interferences to extent that affect the profession of employees has also directly contributed to the employees' intention to leave their jobs. The low level of promotional opportunities and professionalism directly resulted for poor organizational commitment of employees. Therefore, it is very important to apply the appropriate human resources strategies so as to decrease the employees' turnover intention as well as the actual turnover.

Finally, the researchers have covered only the employees who are working in three government bureaus with 286 respondents. The current market trends in these government bureaus may be different from the trends of other bureaus/cities. Thus, the result could be different if other researchers conduct further study in other government/private bureaus and cities.

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