

# The Impact of Employee Turnover on Organizational Performance: “Focused on Ministry of Peace, the Federal Democratic Republic of Ethiopia.”

Temesgen Mendo<sup>1</sup> Nigatu Abdissa<sup>2</sup>

Ministry of Peace, the Federal Democratic Republic of Ethiopia,  
Addis Ababa, Ethiopia

[mendotem@gmail.com](mailto:mendotem@gmail.com)<sup>1</sup>, [nigatuabdissa@gmail.com](mailto:nigatuabdissa@gmail.com)<sup>2</sup>

**Abstract:** *This paper analysis the impact of employee turnover on organizational performance by focusing on the Ministry of peace, the federal democratic republic of Ethiopia. Both survey questionnaires for quantitative and in-depth interview for the qualitative data gathering were deployed for the study. The intended audience was separated into three categories: senior management, directorate, team leader, and the employee. The collected data was analysed using EVIEW -10 software and SPSS (26- version). The study's findings showed employee turnover at the ministry of Peace is highly influenced by lack of career growth, lack of incentives, Work relations and communication between employees and senior management, and low earnings. The respondents during interview stated that the ministry of peace should work more on employee attitudes to achieve the desired organisational objectives.*

**Keywords:** employee turnover, institutional performance, the Ministry of Peace.

## I. Introduction

For decades, employee turnover has been a source of concern. Some organizations around the world denied the issue of employee turnover. Only a few organizations have attempted to comprehend to invest in resolving the labor issue. Employee inspiration, commitment, and dedication to change are critical for both private and public institutions. Aside from an effective and efficient institution, there is a well-organized employee and a good interrelationship between the various levels of management and leadership. In the vis-verse, where there is less communication, the vertical and horizontal communication of the employee in the institution, the organization's final result, becomes weak performance.

Productivity is a critical issue for every institution. At private and government institutions, the organization's effectiveness has been affected by different factors such as employee turnover. Employee turnover is regarded as one of the most difficult issues in any institution, particularly a government institution. Employee turnover can be extremely upsetting and disruptive to an organization's performance. There is no stable and well-maintained or accommodated employee at the institution, where there is the labor migration becomes highly and thus directly or indirectly affecting the organization's performance. Labor migration is considered one of the most important challenges in the institution, especially in government, low-paying jobs.

The effects of turnover are reflected when an employee leaves the institution because the employee takes with his/her knowledge and experience that cannot be monetarily measured and cannot be easily recreated (Achoui and Mansour, 2007). Positively, turnover can be advantageous to the institution. It provides an opportunity to replace less productive employees with new energetic people ready to work, inject new blood into the organization's veins, and motivate the employee who takes the position of the leaving staff (Taylor, 2002).

Several kinds of the literature indicated various factors that why employees stay or quit their job. There are also many discussions in an international and national level study on the relationship between various turnover factors and their effect. For example, Ongori (2007) focused on sources of employee turnover and effects and forwards some strategies to minimize employee turnover in organizations. Samuel and Chipunza (2009) also identified intrinsic and extrinsic motivational variables that influenced the retention and reduction of employee turnover in both public and private organizations. According to Ongori (2007), the value of employees to an organization is crucial in an organization's success. This value is intangible and cannot be easily replicated; therefore, it becomes very important that managers control employee turnover for the organization's benefit.

## 1 Problem Statement

Employee retention is viewed as a difficult twenty-first century since people move jobs and do not know what the future holds. Lack of proper employee management also limits the ability of knowledgeable employees to share knowledge, which means that frequent resignations do not provide new employees to the customer and, as a result, customer satisfaction as they quickly become competitive

products. The Ministry of Peace (MOP), formerly the Ministry of Federal Affairs (MOFA), was re-established in 2018 by proclamation number 1097/2011, with the mission and duty of ensuring long-term Peace throughout the country. From 2016 to 2018, the MOP absorbed the functions and responsibilities previously given to the former Ministries of Federal Affairs and Pastoral and Development Affairs as part of the institution's reform (MOFPDA). The Ministry of Peace of the Federal Republic of Ethiopia is one of the federal ministries in Ethiopia that has seen substantial personnel turnover.

This phenomenon reduces employee performance and, as a result, has a detrimental impact on organizational performance. However, no research has been undertaken on the influence of employee turnover on institutional performance at MOP since its inception. This might be because employees who have been actively working in MOP are frightened of external pressure to dig up the internal problem or because there was no such appropriate environment for performing research on the subject. The purpose of this study was to analyze the influence of staff turnover on MOP performance from 2017 to 2021 by developing a variety of questionnaires for MOP employees, including top management, middle management, and employees. This study was also investigate the reasons for the high employee turnover rate at MOP and make appropriate recommendations to the Ministry of Peace so that the institution (MOP) can develop a strategy that will entice employees to stay and work for a long time in order to achieve better performance and competence.

## **2. Research Questions**

1. What is the impact of employee turnover on the performance of the Ministry of Peace?
2. What are the factors for employee turnover at the Ministry of Peace?
3. How do you assess the vertical and horizontal work relation between the different levels of management at the Ministry of Peace?

## **3. Objectives of the study**

### **Objective**

The study's general objective was:

- To assess the impact of employee turnover on performance at the Ministry of Peace.
  - To assess how the management style determined the employee turnover at the Ministry of Peace.
1. To find the factors for turnover at the Ministry of Peace.
  2. To analyze the trend of employees' turnover across years (2016-2020) at the ministry of Peace.

## **4. Scope of the study**

The study scope was limited at MOP, the Federal Democratic Republic of Ethiopia, near Wollo Sefer road, Addis Ababa, Ethiopia. Under this assumption, the researcher wants to assess those who work at different work levels. All employees of the Ministry of Peace are included. The study looked at the impact of employee turnover on the performance of the Ministry of Peace. This includes data collection from 207 Ministry of Peace staff. The study deadline is March 2021 to June 2021

## **ii. Review of Literature**

### **Introduction**

This section will brief highlight on several theoretical viewpoints established on the link between employee turnover and organizational performance.

The idea is that turnover is not necessarily a negative thing. Because failed performers are fired, and newcomers bring in new skills and knowledge, the benefits outweigh the costs at a low to intermediate level. However, if turnover hits a certain point, disruption costs may begin to outweigh the advantages (Abelson and Baysinger, 1984). The negative link between employee turnover

and organizational effectiveness, according to some experts, has decreased. When employee turnover is minimal, employees' average firm-specific human capital is high, and recruits need a long time to attain the average level of human capital, according to this viewpoint. When high turnover and many employees have short tenures, the average firm-specific human capital is low, and new hires will quickly catch up.

According to Morrow and McElroy (2007), employee turnover has a detrimental influence on organizational performance. Employee turnover may result in even higher indirect expenses than direct expenditures, such as replacement and recruit training. When experienced employees depart, according to human capital theory, the loss of firm-specific knowledge and abilities happens because substitutes take time to achieve the same levels of knowledge and skills (Strober, 1990). Short-term organizational performance may deteriorate as a result. According to social capital theory, employee turnover degrades knowledge sharing, trans active group memory, and trust and has a multiplicative negative impact on organizational performance (Dess and Shaw, 2001).

## **2.1 Theoretical Review**

The research centered on ideas that explain the different elements that impact employee turnover in the workplace. The research focused on two major theories: Herzberg's two-factor theory and Maslow's hierarchy of needs theory, which both explain many of the causes for employee turnover at work.

## **2.2 Herzberg's Two-Factor Theory**

This idea was developed to comprehend better the elements that impacted employee motivation and attitudes at work. Herzberg carried out research, including interviews, to determine which components of an employee's work environment made them happy or unhappy. He observed that job happiness variables (motivator factors) varied from job dissatisfaction factors (dissatisfaction factors) (hygiene factors). According to Herzberg's theory (Loiseau, 2011), employees' motivation and attitude are influenced by two types of human needs: physiological needs that can be met with money, such as buying food and shelter, and psychological needs to achieve and grow, which can only be met by engaging in activities that cause one to grow.

## **2.3 The Concept of Turnover**

The word "Turnover" has been defined in a variety of ways by various scholars and academics. It might refer to employee mobility inside or outside an organization as a concept (Shaw, Delery, Jenkins, Gupta, 1998). Employee turnover is a phrase used to characterize employees who change jobs often. According to Khan (2014), turnover is defined as reversing an employee's position within an organization. According to Tett and Meyer (1993) turnover happens when individuals deliberately seek other organizations. According to Bennell (2004), there are two types of turnovers: voluntarily occurring and involuntarily occurring. The first occurs when employees decide to leave or retire early, while the second occurs when an employee passes away, becomes ill, is discharged, or reaches retirement age (time for retirement).

## **2.4 Causes of Employee's Turnover**

### **Lack of Training and Development**

According to Paul (2004), training and development is a human resource management function involved with organizational activity targeted at improving the performance of people. New-hire induction and staff development are two essential requirements for job preparation that are mandatory from employers, and the preparation of the job begins with recruitment (Bratton, 2003). Those employees who begin their jobs without any form of orientation are most likely unaware (Armstrong, 2003).

According to Trevor (2004) the best strategies for workforce retention include a combination of positive reinforcement, creating an enjoyable working environment, paying employees well, and offering financial incentives and bonuses. Braton (2003) stated that the best employee retention strategies include benefit plans such as health insurance, paid sick leave, and vacation. Moureen (2004) posed that a solid workforce retention plan can create a productive business atmosphere, reduce turnover rates, and contribute to the success of any organization.

Employers should empower staff members by encouraging their contributions and taking the lead role on projects to avoid this common problem. This, in turn, often leads to innovative ideas that can boost efficiency, improve morale, and increase a company's bottom line (Georgi, 2004). Spencer (2001) argued that in order to retain employees and reduce turnover, managers must learn to align their goals with their employees' end goals and that by aligning the rewards and needs of employees, managers can

determine the most effective reward system to increase employee job satisfaction. According to Dubois (2004), employee needs and motivation have a direct and causal relationship with staff retention, and using a motivation theory model like Maslow's Hierarchy of Needs to identify effective retention protocol is a good way to start.

### Employee Dissatisfaction

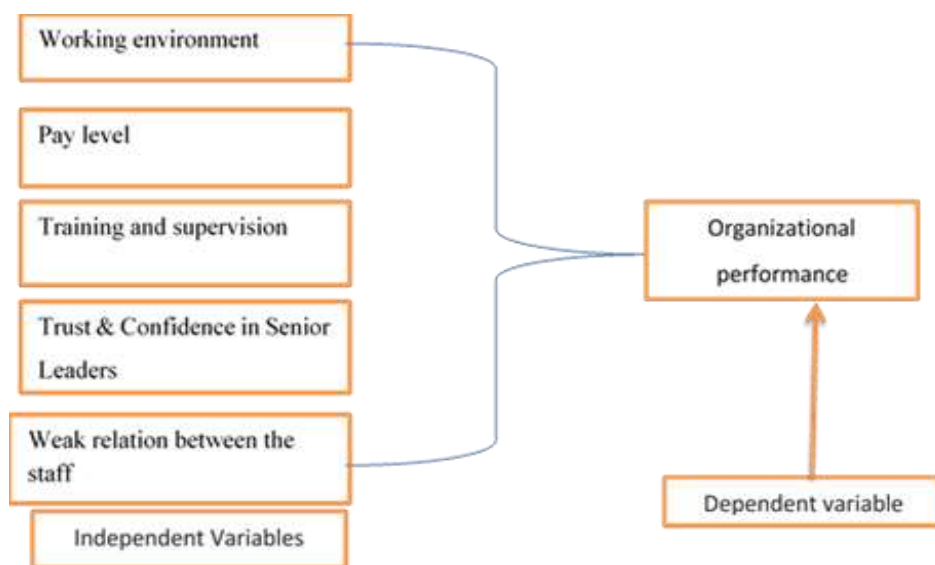
Employee motivation is a key to the overall effectiveness of an organization Armstrong (2003). Fair promotion conducted based on performance greatly motivates employees. According to Georgi (2004), proper job descriptions influence the development of clearly defined employee roles and responsibilities, eliminating cases of overtasking employees and thus improves employee motivation. According to Buttrick (2009), two types of behaviors can occur during motivation: intrinsically motivated behavior and extrinsically motivated behavior. Intrinsically motivated behavior is defined as behavior performed for its own sake, the source of motivation is performing the behavior, and motivation comes from doing the work itself. Extrinsically motivated behavior is defined as behavior performed for its own sake, the source of motivation is performing the behavior, and motivation comes from doing the work itself. According to Gollwitzer (1999), team building increases employee motivation by providing a working environment that allows employees to interact and learn from one another.

### Inadequate Career Advancement

According to the United States Department of Labor (2009), 64 percent of Americans who leave their jobs do so because they do not feel appreciated, and Gupta (2008) found that nearly 70 percent of people in the United States say they receive no praise or recognition at work.

Workers will not be motivated to stay in a job where their skills are underappreciated and underpaid, according to a study by Robert (2007). Good employees often have great ambition and need the opportunity to learn and grow to stay motivated, according to a study by Miguel (2008). Keeping a great employee in a low-level job because of his or her superior work is a good way to lose him or her; chances are, someone else in the industry will replace him or her.

### Conceptual Framework



## 3. Research Design and Methods

### Introduction

This chapter describes the design, research design, target population, sample technique, data collection tools, data analysis, and Presentation.

### 3.1 Research Design

Research design is a general framework or design plan that outlines methods and procedures for collecting and analyzing the information needed (Pandy and Pandy, 2015). The main purpose of this study is to examine the work of the Ministry of Peace, and the study uses descriptive and exploratory research to achieve this objectives.

### 3.2 Research Method

This part of the study describes the research method, study area, target population, sample and sampling methods, research tools, gathering of data, and method of data analyses. Both qualitative and quantitative research methods were used and explorative and descriptive research design was used. Accordingly, the quantitative data analysis is descriptive and inferential statistics, whereas the qualitative use in-depth-interview and focused group desiccation.

The data is collected and analyzed either sequentially, concurrently, or iteratively that mainly consolidates the objective of the study, and it allows researchers to acquire data about phenomena, events, situations, and practices at one point in time. A mixed research method enables using both qualitative and quantitative research. The quantitative approach allows collecting numerical data. The qualitative approach mainly concerns non-numerical data using words to get feelings, opinion, describing the phenomena or events, and answering the how and why questions. The data is primarily collected to reinforce the purpose of the study and provide researchers with information about events, situations, and experiences simultaneously, in sequence, in parallel, or sequence (Shir, Syed, and Kureshi, 2017).

#### Quantitative Approach

The survey questionnaires was collected from 197 respondents working at the Ministry of Peace.

#### Qualitative Approach

The qualitative approach was used to know the opinion, motivation and feeling of the participants. The research approach in this study mainly uses narrative description and explanation of the open-ended questionnaire and interviews to achieve the research objectives that investigate and describe the impact of employee turnover on performance at Ministry of Peace, the Federal Republic of Ethiopia.

#### The Study Area and Target population

The research study was conducted at the Ministry of Peace, the Federal Republic of Ethiopia, found in Addis Ababa City at Wello Sefer main road.

#### Sample Size Determination

The sample size needed for descriptive research based on simple random sampling is computed using the formula below.

$$n = \frac{x^2(1-P)}{d^2(N-1) + x^2(1-P)}$$

The requisite sample size is denoted by the letter s.  $X^2$  = the chi-square table value for one degree of freedom (3.841), N = population size (450), P = population proportion (expected to be .50), and d = degree of confidence (.05).

$$\begin{aligned} n &= \frac{3.841 * 450 * 0.5 (1-0.5)}{(0.05)^2 (450 - 1) + 3.841 * 0.5 (1-0.5)} \\ &= \frac{432.1125}{1.1225 + 0.96025} = 2.08275 \\ &= 207 \end{aligned}$$

The target population for the research is higher officials, General directorate, Team leaders, expertise, and other workers of the Ministry of Peace. For this sampling random sampling technique was deployed. This sampling method reduces the biasness of the selection criteria, and every worker of the Ministry of Peace has an equal chance to be involved.

#### Methods of Data Collection and Instruments

The researcher was used both primary and secondary data collection approach to undertake the study. The data gathering tool used to gather data from the selected respondents was an in-depth interview which was held with top management, the middle management, the human resource department head, and team leaders to know the impact of the employee turnover on the performance of the Ministry of Peace. For this thesis study, focus group discussions were used to get detailed information, especially from those working at the Ministry of Peace for more than five years.

Both closed and open-ended questionnaires were used to collect data, that the respondents were read and answer the questionnaire more freely and clearly to explain their idea on the cases. The data collection approach such as observation was also used to understand the fact by the image of the organization.

Document analysis for the secondary data sources were also used to know the existing information. In this regards, like literature review, annual report of MOP, research paper, journals, articles, books, or audio or video records was examined.

Table 1: Sample of the respondents

SN	Catagories	Population	Sample size		
			Survey questionnaires	Interviewee	FGD
1	Higher officials	5	-	2	-
2	Middle management	8	-	4	-
3	Dep. Head	18	-	8	-
4	Team leaders	14	-	6	1
5	Employee	387	197	20	2
Total		N= 432		197+20 N=	217

Source own, (2021)

### 3.3 Methods of Data analysis

The research value is measured by the data analysis tools applied to the study. There are three basic types of analysis: qualitative analysis, content analysis, and quantitative Analysis Upagade and Shende (2012). For this study quantitative and qualitative data analyzed was used. The quantitative data collected was analyzed by E-view -10 software. The descriptive statistics (graphs and tables with frequency distribution) were used to analyze raw data collected through the instrument on the impact of employee turnover on performance at the Ministry of Peace. Descriptive data analysis tools such as mean and standard deviation were used to describe the behavior data regarding how the employee turnover has impact on performance of Ministry of Peace.

## IV Data Presentation, Analysis, and Interpretation

### Demographic information of the respondents

This section sought to solicit information on the respondents. It was to ascertain some demographic information and the credibility of the respondents sampled for the study. Accordingly, the gender category, age category, education level, work position, and respondents' experience were analyzed in the following ways.

The gender categories of the respondents. As table below show that 68 % were ,male and only 32% were female. Regarding age category, 29 % of age was between18-30, 43.5 % of the respondents were between the ages of 31-40, 22.7 % of ages were between 41 to 50, and 4.8 % were more than 50 years. The result reveals that more respondents were a productive age.

### The educational level of the respondents

The respondents' educational level reveals that 50.2 % are degree holders, 31.88% are second degree, 7.2% are diploma level, and 6.7 % are certificate, whereas 3.8 % are less than grade ten. Those with their education level certificate and below-grade ten are working on office service and security guard areas.



Field Survey, 2021

Figure: 2 Position, the respondents, held

As we have seen from figure <2> showed that, 82.7 % of the respondents are officers; this can include the expert and service providers such as guards and office service, whereas 9.6 % are team leaders, and 8.2 % are held the Directorate position.

**Work experience of the respondents**



Figure 3: work experience

Field Survey, 2021

As figure <3> shows that 52.17 % of the respondents are 11-15 years of work experience, 38.6 % are 5-10 years of experience, whereas 9.17 % are more than 15 years of work experience.

**Factors affecting the organizational performances**

Factors affecting the organizational performances

Table 1: Factors affecting the organizational performances

Included Observations:

207

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.334133	0.219402	1.522926	0.1294
X1	0.453744	0.051213	8.860012	0.0000
X3	0.463667	0.055691	8.325749	0.0000
X4	-0.201427	0.063226	-3.185834	0.0017
X5	0.138879	0.067668	2.052360	0.0415
X6	-0.095187	0.072467	-1.313515	0.1905
X8	-0.020048	0.075166	-0.266722	0.7900
X9	-0.033745	0.068598	-0.491918	0.6233
X10	0.086569	0.078937	1.096682	0.2741
R-squared	0.685203	Mean dependent var	2.572816	
Adjusted R-squared	0.672419	S.D. dependent var	1.442234	
S.E. of regression	0.825458	Akaike info criterion	2.496950	
Sum squared resid	134.2321	Schwarz criterion	2.642342	
Log likelihood	-248.1858	Hannan-Quinn criter.	2.555751	
F-statistic	53.59990	Durbin-Watson stat	2.397612	
Prob(F-statistic)	0.000000			

Source: Field Survey, 2021

Organizational performance is affected by many ways, such as employee turnover, Lack of motivation, the employee work relation with vertical and horizontal connections. The researcher was classifying those factors and to what extent the organizational performance was affected by those variables. Furthermore, to know whether the factors or independent variables are significant on the dependent variable, the researcher categorized the independent variables such as 'Lack of motivation, Lack of career Development, Lack of incentives and poor wages, Job dissatisfaction, Disruption to service delivery, Work environment, and Increase in workload for employees and the variables were coded as X1, X3, X4, X5, x6, X8, X9, X10, respectively and Y(employee turnover) as the dependent variable.

In this regard, the researcher intended to know if there is a relationship between the independent and dependent variables and, more specifically, establish a statistically significant relationship between those variables. As we have seen from the table <3> the

probability flow of Lack of motivation (X1) and Lack of career Development (X3) is 0.000. The probability flows of Lack of incentives, poor wages (X4), and Job dissatisfaction (X5) are 0.0017 and 0.04, respectively. The variables (X1, X3, X4, and X5) their probability flow are less than 0.05, and then they are significant relationships and significantly affecting the employee turnover and determine the ‘y’ or dependent variable. Whereas Disruption to service delivery (X6) is 0.1905, Work environment (X8) is 0.7900, Increase in workload for employees (X9) is 0.6233. Trust and Confidence in Senior Leaders (X10) is 0.2741 is not significant because their probability flow is greater than 0.05.

Key:

- X1:Lack of motivation
- X3:Lack of career Development
- X4:Lack of incentives and poor wages
- X5:Job dissatisfaction
- X6:Disruption to service delivery
- X8:Work environment
- X9:Increase in work load for employees
- X10:Trust and Confidence in Senior Leaders

As shows above, that the independent variables' R-squared cumulatively explains 68.52 % of the dependent variable. In another way, when we consider the Adjusted R-squared, the independent variables cumulatively explain 67.24 % of the dependent variable. The researcher tried to know how the Durbin-Watson stat is positive relationship, negative or no relationship. When the Durbin-Watson stat is less than 2, it is positive; it is negative autocorrelation if the Durbin-Watson stat is more than two. Where if it is equal to 2, there is no autocorrelation.

As we have seen from the table 3 indicated that, the probability follow of Lack of training and development (X2) is 0.0000, and the probability flow of pay level (X7) is 0.0010, which both variables result are less than 0.05. They are strongly significant relationships that affect employee turnover and determine the ‘y’ or dependent variable. Whereas, work relation and communication between the employee and higher management (X11) is 0.0629, Lack of feedback on time (X12) is 0.4210, and involvement of employee in decision making (X13) is 0.3638 those all variables are not a significant relationship with the dependent variable.

The R-squared of the independent variables cumulatively explains 51.7 % of the dependent variable. In another way, when we consider the Adjusted R-squared, the independent variables cumulatively explain 50.5 % of the dependent variable. The researcher tried to know how the Durbin-Watson stat is positive relationship, negative or no relationship. When the Durbin-Watson stat is less than 2, it is positive; it is negative autocorrelation if the Durbin-Watson stat is more than two. Where if it is equal to 2, there is no autocorrelation. The above model is 2.00, which is a good fit for these data variables.

Table 2: Factors Affecting Organizational Performance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.918960	0.283488	3.241621	0.0014
X2	0.621376	0.052326	11.87501	0.0000
X7	0.203409	0.060682	3.352051	0.0010
X11	-0.165858	0.088669	-1.870529	0.0429
X12	0.072557	0.089989	0.806287	0.4210
X13	-0.091200	0.100196	-0.910211	0.3638
R-squared	0.517016	Mean dependent var		2.574879
Adjusted R-squared	0.505002	S.D. dependent var		1.439035
S.E. of regression	1.012449	Akaike info criterion		2.891179
Sum squared resid	206.0357	Schwarz criterion		2.987779
Log likelihood	-293.2370	Hannan-Quinn criter.		2.930243
F-statistic	43.03261	Durbin-Watson stat		2.002828
Prob(F-statistic)	0.000000			

Source: FieldSurvey,2021

Key:

X2:Lack of training and development

•X7:pay level



•X11:work relation and communication between the employee and higher management

•X12:Lack of feedback on time

•X13:Staffs are not involved in decision making

**Causes for employee turnover at Ministry of Peace**

The mean value is the average value for each of the variables x2\_1, X2\_02, X2\_03, and X2\_04, and so for mean value for x2\_1 is 3.30, the mean value for X2\_02 is 3.21, the mean value for X2\_03 is 3.25, whereas the mean value for X2\_04 is 3.24.

The common vision is the division from the sample mean concerning each of the variables. The Skewness, the normal skewness value is 0, so we can say that the variable x2\_1 is -0.378, X2\_02 is -0.3385, X2\_03 is -0.398, and X2\_04 is -0.347. When we look at the Kurtosis, the value of X2\_1, X2\_02, X2\_03, and X2\_04 is 1.77, 1.643, 1.74, and 1.83 which all are their value is less than the value less than 3 implied that the distribution is normal me so Kurti Kurtosis. The Jaque-Bera in this study result shows that the probability value for X2\_1, X2\_02, X2\_03, and X2\_04 is 0.000, which is less than 0.05, and therefore, we reject the Null hypothesis. In this regard, the probability value is highly and statistically significant.

	X2_1	X2_02	X2_03	X2_04
Mean	3.309179	3.212560	3.251208	3.241546
Median	4.000000	4.000000	4.000000	4.000000
Maximum	5.000000	5.000000	5.000000	5.000000
Minimum	1.000000	1.000000	1.000000	1.000000
Std. Dev.	1.386853	1.485606	1.419246	1.284566
Skewness	-0.378757	-0.385738	-0.398295	-0.347197
Kurtosis	1.771710	1.643660	1.747136	1.838809
Jarque-Bera	17.96177	21.00046	19.01144	15.78847
Probability	0.000126	0.000028	0.000074	0.000373
Sum	685.0000	665.0000	673.0000	671.0000
Sum Sq. Dev.	396.2126	454.6473	414.9372	339.9227
Observations	207	207	207	207

Source: Field

Survey, 2021

Descriptive statistic

Career advancement in my Organization is biased (X2\_1), I am not satisfied with the working environment (X2\_02), Work efficiency has no value for employment (X2\_03), and The business is very high in my Organization (X2\_04).

Key:

X2\_1: Career advancement in My Organization is biased

X2\_02:I am not satisfied on working environment

X2\_03:Work efficiency has no value for an employment

X2\_04:The basicness is very high in my organization

**4.5 Ways to minimize employee turnover**

The study used a Likert scale of (1= strongly disagree, 2=Disagree, 3= Neither agree nor disagree, 4= Agree, and 5= Strongly agree) respondents were asked to indicate to what extent they agree with the following statements (the employee turnover has impacted the performance of the institution).

Table <5> shows that the mean value is the measuring tendency on the extent to which employee turnover impacts institutional performance. A mean value of 4.02 indicated that lack of staff involvement in decision-making has an impact on the performance of the institution. A mean value of 3.95 with a standard deviation of 1.2 employees must be paid well (reasonable salary) has an impact on the performance of the institution. The working relationship between employees must be improved by 3.93 with a standard deviation of 1.15, and Employees must be recognized when they achieve goals. The mean value is 3.8 and with a standard deviation of 1.321.

Table 5: Ways to minimize employee turnover

Variables	N	Minimum	Maximum	Mean	Std. D.
Employees must be recognized when they achieve goals	207	1	5	3.80	1.321
Employee must be paid well (reasonable salary)	207	1	5	3.95	1.208
Staffs must involve in decision making	207	1	5	4.02	.987
Work relationship between employees must be improved	207	1	5	3.93	1.157

Source own servey (2021)

Table <6> shows that the mean value is the measuring tendency for the effectiveness of the management strategies to minimalize employees' turnover at the Ministry of Peace. Therefore, the mean value for the variable is 3.99, and standard deviation of 3.7 respectively, the level of employee turnover in the organization is 3.7 with a standard deviation of 1.47, the level of organization efficiency when employee turnover the mean value is 3.69 with a standard deviation of 3.77, the communication between the employee and higher management at Ministry of Peace mean value is 3.64 and with a standard deviation of 1.36.

**Rating level of employee turnover**

How fare would the preceding factors may impact when your co-workers left the institution? 1= Very low, 2=Low, 3= Moderate, 4 =High and 5= Very high

Table 6: Rating level of employee turnover

Variables	N	Minimum	Maximum	Mean	Std. D.
How could you rate the level of employee turnover in the organization?	207	1	5	3.70	1.478
How could you rate the level of organization efficiency when employee turnover is high?	207	1	54	3.69	3.777
How could you rate the effectiveness of the management strategies to minimalize employees' turnover at Ministry of Peace?	207	1	54	3.99	3.708
How do rate the communication between the employee and higher management at Ministry of Peace?	207	1	5	3.64	1.361
Valid N (listwise)	207				

**Interview and Focus Group Discussion results from participants.**

Under this section, we will see the analysis obtained from the interviewee and focus group discussion.

The researcher has attempted to identify major sources/causes of professional employees' turnover at MOP through this study. A combination of quantitative and qualitative data was used to conduct this study which employed data collection techniques like questionnaires and interview checklists. Both quantitative and qualitative data collected were analyzed by employing analysis techniques of descriptive statistics and qualitative analysis methods, respectively. Consequently, the findings from the survey and the interviews have been presented. At this point, the researcher comes to explore the analysis of interview questions and focus group discussion. Accordingly, the following interviewee and FGD analyses are drawn.

This study aims to determine the causes of employee turnover. The data collected was primarily used to reach the objectives of the study. The discussion of the results was done in terms of these objectives. The data collected concerning why employees leave the institution pointed out various reasons employees leave and are still leaving the institution. The discussion incorporates the theory, as discussed in Chapter 2. Hence, here the researcher presents the summary of the findings.

During the focus group discussion and interviews, most participants revealed that turnover is a natural occurrence and that turnover can also be positive as the institution can separate itself from poor performers and make way for capable employees to continue in the MOP. However, the MOP management is happy if qualified and trained employees are not living in the institution. The frequency of turnover needs unreserved efforts made by the top management and other line managers as per their levels. For the interview question about why employees leave the institution, the director replay employees leave the MOP for various reasons. However, most of them have left the former called Ministry of Federal Affairs due to salary and benefits since other federal institutions offer higher salaries and benefits beyond the scale of working activities. However, since the institution was transferred from MOFA to MOP, the salary is good but not enough. Overall is not the reason for employee turnover as pervious but work relation with higher management has been a decline compared to the previous manager.

The interviewees also mentioned that turnover is a nonstop phenomenon in a dynamic environment; hence, the organization tries to set a system that the current or newcomers should follow. According to their expression, employees do not stay lifelong. However, as a management, the top management of the MOP cultivated and upgraded a substitute through different training and development of another equivalent employee or has better capacity internally.

The HRM emphasized that unless the needs arise and some vacant positions demand higher qualifications, the bank is not looking for competent employees externally. According to him, currently, the MOP has enough qualified and experienced staff that can substitute their next positions. In addition, as a retention mechanism, the MOP reviewed the salary scale and released it very soon.

According to the HR Director, exit interviews were not conducted once in 2016 to gather information on why employees leave the institution. The HR department is aware of the magnitude of turnover, that is, the increasing number of employee turnover, especially before the MOP was established; however, the data gathered was not analyzed and used as input and, as a result, did not come to effect. Regarding career pathing, the middle management, directorates, and team leaders stated that the lack of a career path is inconsistent with the policy on career pathing.

According to him, professional employees leave as a result of the policy not being implemented. Employees reach a point of frustration after they have set measurable goals and have received the necessary training or intervention, and are unable to progress as inadequate attention is given to advancing employees.

According to the responses of the Directorates, team leader, and another senior officer, undoubtedly indicated that the MOP recognizes human resource training and development as one of its most important organizational activities to bring a desirable change in employees' behavior and attain organizational effectiveness and efficiency. Actually, since 2018, this approach has not been practiced. Besides, the MOP attaches great importance to effective human resource planning to ensure sustainable and efficient staffing and achieve its objectives and plans. The proper execution of continuous training and development and the employee's incentive will continue due consideration in the Ministry of Peace's plan to minimize employee turnover. Hence, training specific to the employee's need is conducted without fail, and the MOP implements the training and development based on the assessment as indicated in table 4.2 human resource planning and development policy and procedure manual. In this manual bank's support scheme is mentioned as linked to career advancement. The bank has their employees to have higher education.

The director also mentions no documented programs that the MOP designed to minimize professional employees' turnover. However, the MOP has different benefits packages gives to employees used as retention mechanisms such as transportation. The higher and middle management of the MOP believes in the existence of professional employee turnover, but the MOP relates the turnover with salaries and packages. On the other hand, the current problems that have been seen at the Ministry of peace are the lack of transparency between the leadership and employee. There is no regular meeting with the administration and employee, and as a result, the employee has no trust in leadership. The inability to place the right person in the right place, the failure to direct budgets to the department, and the lack of equitable access negatively impact the institution's performance.

Advancement and promotion are the prime reason why many professional employees leave the company. Due to no potential opportunity for advancements or promotions, employees prefer other companies, which may provide them with higher costs and increased compensation packages. So, career development is the most important retention factor since offering good opportunities for career development prevents employees from leaving the institution (MOP) and contributes in a positive way to their loyalty to their duty.

#### **IV. Summary, Discussion, Conclusion, And Recommendations**

##### **Introduction**

This chapter discusses the study's major findings, draws its conclusion, and presents practical recommendations against the backdrop provided in the literature review on the impacts of employee turnover on organizational performance, a case study of the Ministry of Peace, the Federal Republic of Ethiopia.

### Summary of Major Findings

Under this topic, we would like summarize the overall research topic, the findings, and the discussion on the impact of employee turnover on the Ministry of Peace's performance. The main object of the study was to determine the impact of employee turnover on the performance of the Ministry of peace.

As we have seen from chapter four (table 2), the probability flow of lack of motivation and lack of career development, lack of incentives and poor wages, and Job dissatisfaction, significant relationships and significantly affecting the employee turnover. The probability follows of lack of training and development and the probability flow of pay level which both variables result are less than 0.05 and are strongly affecting the employee turnover.

The value of mean is the measuring tendency on the extent to which employee turnover impacting institutional performance. A mean value of 4.02 indicated that lack of Staffs involvement in decision-making impacts the institution's performance. A mean value of 3.95 with a Standard Deviation of 1.2 employees must be paid well (reasonable salary) has an impact on the institution's performance. The working relationship between employees must be improved by 3.93 with a standard deviation of 1.15, and Employees must be recognized when they achieve goals. The mean value is 3.8 and with a standard deviation of 1.321.

Lack of staff motivation, inadequate staffing, timely monitoring and evaluation, lack of an incentive system for effective implementation of institutional missions, and lack of clear communication between professionals and leaders, lack of planning, lack of clear guidelines and staff management guidelines, lack of transparency between staff and management, lack of clear mission to the team, lack of coordination in understanding the mission of the institution. Lack of adequate understanding of the institution's mission, vision, and strategic plans can create a gap in the institution's performance due to a lack of awareness of where the employee is going. On the other hand, the lack of employee benefits such as transportation costs affects the institution's performance.

Skills incompatibility of the higher, the middle management, and the staff with the objective and mission of the institution. Absence of comprehensive relationships with higher management, the lack of regular communication, the absence of standard contact time, the absence of employee involvement in institutional plans and decision making. Ineffective communication between management and executive team, lack of transparency in institutional programs, and employment discrimination. At the Ministry of peace, jobs are run only by specific individuals and only by knowledge, and as a result, some employee has been losing its confidence on the institution.

The institution looks like the leader. Leadership has a significant impact on the performance of an institution. However, the leadership of the Ministry of Peace has shown a lack of an attitude towards the workers. The indication is the exclusion of long-serving workers in the sector and the sign of confidence in new employees. While this divisive approach may seem appealing to management today, it will create conflict between the employee and the leadership in the long run.

In addition, the attitude towards the existing employee is so low that the employee is not involved in planning and implementation. While this approach may seem a good temporary approach in light of the management, for the time being, it has a profound effect on the attitude of the staff towards the institution. Because they have much experience: The disadvantages of excluding those who have a deep understanding of the nature of the work, who have passed many exams, and who have sufficient knowledge and skills for the job are a significant impact on the institution's performance.

Whether private or government institutions, there are many factors for employee turnover. When we look at the Ministry of peace, employee turnover has been occurred due to finding better income and a change in the work environment. Recently since 2018, the employee wage has been somewhat better than the previous. Still, concerning good governance, a lack of transparency, promotion, and incentives are considered factors for employee turnover. The wage problem seems to be somewhat reduced, but it is not commensurate with the current cost of living. Issues of good governance (failure to respond to questions in a timely and appropriate manner) and the perception toward the employee from the leadership are weak. The lack of a better working environment indicates there is a transportation problem where the institution-building is there. The expectations given for the employee are meagre. Some leadership did not consider and give attention to the employee and did not have the will to listen to the employee's complaint. Experienced and existed workers are discriminated against by management. There was deliberate discrimination during placement at the Ministry of peace. Some said that the placement was intended to be avoidance of the existed employee.

The lack of various benefits systems such as home, health insurance, transport, the lack of incentives and there is no designed system to categories the efficient and effective workers from the other. Whether you are working well or not, you have got the same wage. Those who perform better and those who do not perform have equal pay. This approach can push the employee to the desire to move to a better place. The administrative system is fragile. The Ministry of peace believes that it is a better institution in providing educational opportunities. No one can deny that the previous Ministry of Federal Affairs and the Ministry of peace have played a good role.

Nevertheless, what has happened after they completed their education? Did they work based on their field of study? For many years, it has been a question, and the management has not responded to it for various reasons.

There has been a high employee turnover, especially before 2018—the flow of workers. There is a salary adjustment, but there is still a lack of leadership in the Ministry to better understand the problems of good governance. Another problem is that the senior management's relationship with the employee is weak and almost non-existent. Looking for better wages and benefits, changing the work environment, changing jobs, lack of growth (equity), lack of equitable access to resources, lack of placement in

the field of study and work experience, lack of communication with management. The overall findings show that, lack of communication are the major factors for employee turnover at the Ministry of peace.

In the past, I feel that the relationship between the worker and the management is healthy, peaceful, democratic, and understanding. At any time when you have an issue, you will get the leadership and applied your complaints. Pre -2018, the institution's activities were evaluated quickly, and the employee was involved during the planning and evaluation period. However post 2018, the relationship between the management and the staff has been weak, and the employee does not know who does what. Only a few people can be involved during planning and monitoring. The horizontal relationship between workers is also weak, and some new employees do not know each other. There is often no opportunity to meet, so there are no forums and no opportunity to meet the staff. New and existing employees are referred to as strangers to employees of an institution. The employee can see the leadership only through the television window or the media. It seems like particular attention is given to the executive not to discuss with the staff. There is no way for employees to connect formally. If you do not know each other, there are no situations to understand what activities have been performed in the institution. Some small groups of people are seen here and there, and others are out of the game.

There is no forum for communication between workers and management; there is a huge gap. Within the age of 2018 through 2021, there were only two joint forums were held. The first day was for the introduction. In the pre of 2018, the performance of senior executives was evaluated at least every quarter, and direction was given, but now there is almost no communication between the management and the staff. This indicates whether there is a lack of leadership skill or contempt for the employee. In practice, however, it was expected that the management and staff would be in contact within a month or two.

The staff has a low level of awareness about the institution. Failure to act responsibly can have a substantial impact on the institution's performance. Lack of a conducive work environment is also another factor for reducing organizational performance. Until 2018, a big problem for the former minister of Federal Affairs and letter ministry of federal and pastoralist development affairs was finding better pay for the employee. The question had got answered in 2018.

If an employee can turnover, it is thought that another employee can replace the employee. Nevertheless, He or she knows the mission, the nature of the work, its procedures, internal rules, and regulations, and therefore avoiding the existence of employee from the institution hurt the institution's performance. With the release of many experienced workers, it will take time to replace them. Jobs fail, secrecy is wasted. It takes a long time to develop a skill. Qualifications come from time to time, so leadership is not easily replaced this qualification as the intended way. As employee turnover increases, waste of resources will increase, but the institution's performance will decrease. When a worker loses morale, motivation will decrease and will not perform well.

The employee's relationship with the employee can be described as relatively good. Because most workers have been together for a long time, for example, since urban development, there is a system of inquiries; both in terms of grief and happiness, and the existence of its loans, savings, and charitable organizations can be described as good.

On the other hand, it is difficult to say whether the employee has a significant relationship with management. Lack of a strong system of communication with employees makes them feel like they live in different institutions. The lack of coordination between staff and employees is also widespread. There is a lack of timely capacity building. There are gaps in the management's ability to meet staff regularly and discuss problems.

### **Conclusions**

The employee turnover has been decreased over the past two years because of increasing the wages. The current situation and the tendency of employee turnover is slow down. However, this does not mean that communication systems are in place between the leadership and the employee.

The Minister of Peace is working on many areas in collaboration with the regions. Still, if the experienced staff leave the institution, the attitude of the regions toward the institution becomes reduced, which are impacts the institution's performance.

The functions and responsibilities of the peace ministry are high, and to achieve its mission, and it needs capable leadership and staff. However, if there is a steady flow of workers, it will not accomplish the plan for the fiscal year and will create problems for the annual performance. Some say that the institution has given great attention to its workers. The Ministry of peace has improved and adjust employee wages. However, research needs to be done to determine whether the wage adjustment is intended for the employee or attracts outside workers. Because the new leadership had just arrived at the office, it was reduced to a minimum of 15 percent existed employees by the name of new structural changes, and some were found to be floating.

### **Recommendations**

The researched highlighted the following recommendation for the ministry of peace:

- The ministry of peace should be Improving/eliminating spontaneous practice; Develop clear accountability and incentive strategies. - Strengthen employee relationships and transfer knowledge from each other.
- Competing only for the payment system can reduce the performance of the institution but human beings need a safe environment, healthy relations with senior management. Therefore, the leadership can listen to the employee's question, involving the employee in the decision-making process, providing timely and appropriate answers to the employee's questions.
- Employee dedication, commitment can have a crucial role in better performance and productivity of an organization. Where there is discrimination and ignorance, the efficiency of the institution become decrease. Therefore, the leadership should treat employee equally.

- The senior management should see the employee through an equivalent lens; one should not hold supremacy over the other.

#### References

- Abelson, M. A., & Baysinger, B. D. (1984). Optimal and dysfunctional turnover: Toward an organizational level model. *Academy of Management Review*, 9, 331– 341.
- Achoui and Mansour (2007). Employee Turnover and Retention Strategies: Evidence from Saudi Companies. *International Review of Business Research Papers*, Vol. 3 No. 3. pp.1-16.
- Armstrong, M.(2003). *A Hand Book of Human Resource Management*, sixth Edition, London, KoganPag
- 
- Bennell P (2004) *Teacher Motivation and Incentives in Sub-Saharan Africa and Asia. Knowledge and Skills for Development*, Brighton.
- Bratton, J.(2003). *Human Resource Management, Theory and Practice*, Third Edition. Palgrave Macmilla
- Buttrick, B. (2009). vocational guidance in the schools, *Career Development, Journal of Human Resource Management March (2009) Issues New York*
- Dess, G. G., & Shaw, J. D. (2001). Voluntary turnover, social capital, and organizational performance. *Academy of Management Review*, 26, 446– 456.
- Dubois,F.(2004), *Competency-Based Human Resource Management*. First Edition DaviesBlackPublishin
- Georgi, (2004). *Human Resource Planning*; First edition; New Jersey Press
- Gollwitzer, T. (1999). *The Art and Science of Competency Models*. First edition; New York Pres
- 
- Gupta C. B. (2008). *Human Resources Management*.(1st Edition). Sultan Chand & Sons Publishers, New Delhi
- Khan SA (2014) The factors affecting employee turnover in an organization: The case of Overseas Pakistanis foundation. *African J Bus Manage* 8: 25-34.
- Loiseau, M. D. (2011), *Nature and causes of job satisfaction*. In *Handbook of industrial and organizational psychology*. Rand McNally, Chicago
- Miguel,A. (2008). *Managing People*; First edition; New Jersey Press
- 
- Morrow, P., & McElroy, J. (2007). Efficiency as a mediator in turnover–organizational performance relations. *Human Relations*, 60, 827– 849.
- Moureen,M.(2004). *Human Resource Planning*; First edition; Pearson Publishers
- Ongori H.(2007).A review of the literature on employee turnover. *African Journal of Business Management* pp. 049-054.(Online).<http://www.CPSC-ccsp.ca/PDFS/SPSP%final%20>
- Paul,W. (2004). Role of microfinance institution in poverty eradication, *Journal of Finance*,May (2004) Issue
- Robert,R. (2007). Role of human resource management in staff retention, *International Journal of Personnel Management*, Many (2007) Issu
- Samuel M. and Chipunza C.(2009), Employee retention and turnover: Using motivational variables as a panacea. *African Journal of Business Management* Vol.3 (8), pp. 410-415
- Shaw JD, Delery JE, Jenkins GD, Gupta N (1998) An Organization-Level Analysis of Voluntary and Involuntary Turnover. *Academy of Management Journal* 511: 525.
- 
- Spencer,W. (2001). Introduction- the competency-based movement: Its origins and impact on the public sector. *International Journal of Public Sector Management*
- Strober, M. H. (1990). Human capital theory: Implications for HR managers. *Industrial Relations*, 29, 214– 239.
- Taylor, C.R. (2002). Focus on Talent. Training and Development.[Online] Available:<http://www.taleo.com/research/articles/strategic/calculating-the-high-cost-employee-turnover15.html> Accessed
-

Tett RP, Meyer JP (1993) Job Satisfaction, Organizational Commitment, Turnover Intention, and Turnover: Path Analyses Based on Meta-Analytic Findings. *Personnel Psychology* 259: 293.

---

Trevor,W. (2004). *Staff Training and development*. Second edition; Pearson Publishers U.S. Department of Labor, (2009). Staff Turnover Trends, Federal government report Woods,I.(1999). *Staff Training and development*. Second edition; Pearson Publishers