A COMPARATIVE ANALYSIS OF PERCEIVED FACTORS INFLUENCING LABOUR TURNOVER AT COOPERATIVE INSURANCE COMPANY AND JUBILEE INSURANCE COMPANY

CAREN JEPCHIRCHIR KEMEI

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

OCTOBER 2014

DECLARATION

Student Declaration

This research project is my original work and has never been presented for a Degree in any other University or institution for any academic award.

Signature ……………………………… **Date**………………………………..

CAREN J KEMEI

D61/60569/2013

Supervisor's Declaration

This research project has been submitted for examination with my approval as University Supervisor.

Signature ……………………………… Date ………………………………..

Prof. Peter K'Obonyo

School of Business

University of Nairobi

ACKNOWLEDGEMENT

First of all, I would like to thank our almighty father for his love, good health and many blessings that he has bestowed on me during this period of my study. I also wish to appreciate the priceless support from my supervisor Prof. Peter K'Obonyo for providing the necessary guidance on how to undertake academic research. I am grateful to my colleagues and friends specifically Zachary, Hellen and Edna for their continued support during my study. I also acknowledge my siblings Rebby and Joel for their moral and financial support during the entire study period.

May God bless you all.

DEDICATION

This research project is dedicated to my family. To my Husband David and our children Brenda, Elvis and Evans for their prayers, encouragement and understanding while I was undertaking this study. A special dedication goes to my beloved sister in-law Hellen for all the financial and moral support she gave me even during challenging times. I thank you all and may God bless you abundantly.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ACRONYMS AND ABBREVIATIONS

ANOVA	:	Analysis of Variance
HRD	:	Human Resource Development
KES	:	Kenyan Shillings
OC	:	Organizational Commitment
SPSS	:	Statistical Package for Social Science
UNCTAD	:	United Nations Conference on Trade and Development
VET	:	Voluntary employee turnover

ABSTRACT

The current state of the economy characterized by information explosion, liberalization, globalization and intense competition from within and outside the country has led many organizations both in the private and public sector to become preoccupied on how to increase the "added value" of their employees. A need to encourage employees to remain in the organization and to increase productivity beyond that which is at a minimum accepted standard using scarce resources has become a necessity. The issue on labour turnover is critical and managers have to manage employees to minimize turn over since high turnover is not cost effective. This study was motivated by the need to compare the factors affecting the turnover rates of the employees in two insurance companies. The researcher used descriptive research design to carry out the study. The data was collected from Jubilee and Cooperative insurance companies. The sample size was 182 and was collected using questionnaire. The data was later analyzed using mean, percentages, frequencies, t-test, chi square and correlation. The study found that the deserved salary, remuneration, experience with a firm and rewards in both companies. In Jubilee the rate of turnover among staff members was influenced by the working environment, relationship with colleagues, level of stay in the company, deserved salary and remuneration, level of experience and ample rewards and incentives while in cooperative it was influenced the deserved salary and remuneration, experience with the firm, ample rewards and remuneration, social behavior of the management staff, the number of supervisors and the retirement package. The study also found no significant relationship between work output and the rate of turnover in both Jubilee and Cooperative insurance companies. Further, the study found no statistical difference between the factors affecting turnover rate in Jubilee insurance company and Cooperative insurance company.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The rate of turnover varies from company to company. The highest level of turnover is normally found in private sectors than public sectors. The levels of turnover also vary from region to region. The highest rates are found where unemployment rate is lower and where it is easy for people to get alternative employment (Rankin, 2006). Sometimes employee turnover benefits organizations positively. This might happen when a poor performer is replaced by a more skilled employee and when a retired employee replaced by a younger one. Employee turnover may be also costly, as it requires different cost to take account such as administrative costs of recruitment, cost of covering during the period in which there is a vacancy, training cost for the new employee etc. (Philips, 1990).

Turnover occurs for many different reasons. Sometimes new job attracts employees and pull them to leave the old one. In contrary employee also pushed to leave job due to the dissatisfaction in their present workplace or by domestic circumstances when someone reallocates with their spouse or partner (Campion, 1991). A poor relationship with the management can be an important reason for the employees to leave their jobs. It is relatively rare for people to leave jobs in which they are happy even offered by higher salary elsewhere (Carsten, and Spector, 1987). A lack of proper training and development is also major cause for voluntary turnover. Employees have a preference for security of their jobs.

1.1.1 Perception

Perception is an act of being aware of one's environment through physical sensation, which denotes an individual's ability to understand. However, many social psychologists have tended to develop the concept around one of its most essential characteristics that the world around us is not psychologically uniform to all individuals. This is the fact, in all probability, that accounts for the difference in the opinions and actions of individuals/groups that are exposed to the same social phenomenon. Social perception is the process of interpreting information about another person." What this definition has clearly highlighted for your attention is that the opinions you form about another person depends on the amount of information available to you and the extent to which you are able to correctly interpret the information you have acquired. In other words, you may be in possession of the same set of information that other people have on a particular situation, person or group but still arrive at different conclusions due to individual differences in the capacity to interpret the information that you all have (Nelson and Quick 1997).

Perception ranks among the important cognitive factors of human behaviour or psychological mechanism that enable people to understand their environment. It is the process whereby people select, organize, and interpret sensory stimulations into meaningful information about their work environment. Perception is the single most important determinant of human behaviour, there can be no behaviour without perception. Rao and Narayan draw attention to the fact that since there is no specific strategies for understanding the perception of others; everyone appears to be left with his own inventiveness, innovative ability, sensitiveness and introspective skills to deal with perception (Rao and Narayan 1998)

1.1.2 Labour Turnover

Turnover is an index of organizational effectiveness and as such it authorizes attention and some understanding of itself. Additionally, however information on turnover can help the planning, prediction and control of resources (Lazear, 2000)). Despite an enormous literature on turnover in organizations, there is as yet no universally accepted account or framework for why people choose to leave (Abelson, 1987).The phenomenon of turnover is of interest to organizations and theorists because it is significant, potentially costly and relatively clear cut (Clark-Rayner, and Harcourt, 2000). It also describes the end result of a decision process. The goal of effective management of turnover dictates that a high level of sophistication, and thereby particularity, needs to be achieved by organizations in order to selectively influence the turnover process. However, the phenomenon has not so far proved amenable to prediction. Some researchers have focused on potential predictors of turnover behaviour such as job tenure, locus of control etc., (Shaw, J., Delery, J., Jenkins, G. And Gupta, N. 2001).

1.1.3 Factors Influencing Labour Turnover

Studies have identified a plethora of reasons leading to staff turnover. These reasons have been categorized into three major groups: causes related to the enterprise, to the individual and to the industry (Birdir, 2002). For example, low job satisfaction, low financial returns, no career development, emotional labour, working hours, unsociable working conditions, seasonality, unsatisfactory working relations (TTF, 2006). Documented causes of staff turnover generally conform to the major theories of migration (Lee, 1966). Push factors operate to reduce dissatisfaction with existing circumstances, and pull factors operate to suggest increased satisfaction arising from a change of circumstances. Factors may be, among other things, economic or social. Economic drivers include the guarantee of improved conditions and the perception that the opportunity for improved conditions will exist. Social causes of staff turnover have been documented as including a desire to get a job and move geographically closer to family and friends, the desire for lifestyle changes throughout an individual's life cycle, and the desire to avoid risk or unpleasant circumstances (Vaugeois and Rollins, 2007).

The financial consequences of staff turnover are summarized as separation, replacement and training costs as well as low productivity performance levels (Hinkin and Tracey, 2000). Such costs are more heavily felt by firms operating seasonally, as they have to recruit, train and employ different staff every season (Sigala, 2006). However, research (e.g. TTF, 2006) has paid more attention to the monetary implications of staff turnover (e.g. the time and cost for staff recruitment, induction and training, the negative impacts on service quality and so on profitability), ignoring the intangible, structural, relational and knowledge implications that staff turnover might have. Overall, this stream of research showed that staff turnover does also affect the employees remaining at the company, while the way by which the latter are affected depends on how they relate to an exciting peer (e.g. friends) and on how they interpret their peer's exit (e.g. peer's dissatisfaction with the company, the job content or any other reason). Cho *et al.'s* (2006) study is the only study conducted within the hospitality sector so far that has looked into such impacts of staff turnover. Their findings showed that staff turnover contributed to an employee's emotional instability in their employment.

1.1.4 Cooperative Insurance Company and Jubilee Insurance Company

This study focuses on two major insurance companies in Kenya: Cooperative Insurance Company and Jubilee Insurance Company.

1.1.4.1 Cooperative Insurance Company

Cooperative Insurance Company Insurance Group is the third largest insurance company in Kenya with a total premium volume of 6.7 Billion Kenyan shillings (KES), or US$ 78.8 million, in 2011. It is fully owned by approximately 1,562 cooperative societies and 3,875 individual members. Cooperative Insurance Company has a strategic focus on micro insurance and has a vision of becoming a household name for the micro insurance market in Kenya and the region. Cooperative Insurance Company ventured into micro insurance in 2001, piloting microcredit life insurance with KADET, a leading MFI. It later expanded distribution through Faulu Kenya, K-Rep development agency, Eclof Kenya, and Opportunity International (now Opportunity Kenya), among others (IISR 2004). As a composite Insurance company offering a wide range of products such as General Insurance, life Insurance, pension, medical and Asset management services, Cooperative Insurance Company now occupies 3rd position in terms of market share in the Kenyan Insurance market. (CIR 2003).

1.1.4.2 Jubilee Insurance Company

The second insurance company of interest to the study is the Jubilee Holdings Limited. It is a limited liability company incorporated and domiciled in Kenya. The company has a primary listing on the Nairobi Securities Exchange and is cross-listed on the Uganda Securities Exchange and Dar Es Salaam Stock Exchange. The Company through its subsidiaries and associates (together forming the Group) underwrites Life and non-life insurance risks, such as those associated with death, disability, health, property and liability. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. (CIR 2003)

1.2 Research Problem

The current state of the economy characterized by information explosion, liberalization, globalization and intense competition from within and outside the country has led many organizations both in the private and public sector to become preoccupied on how to increase the “added value” of their employees. A need to encourage employees to remain in the organization and to increase productivity beyond that which is at a minimum accepted standard using scarce resources has become a necessity (Kimathi, 2000). Excessive employee turnover engenders far reaching consequences and at the extreme may jeopardize efforts to attain the organizational objectives (Abbasi and Hollman (2000). Elangovan (2001) has argued that there is a reciprocal link between organizational commitment and turnover intention where lower commitment is observed to increase turnover intention, which lowers commitment further. Organizational performance rises with turnover up to an optimum point and then falls as turnover increases further, hence an optimal level of a firm’s labour turnover ought to be achieved and maintained in order to benefit fully from the undertaking, a complex fit to accomplish (Zubanov, 2009).

Turnover rates vary widely between sectors (CIPD, 2009) and the optimal turnover rate is likely to vary between organizations given their different economic and social structures and dependencies on organizational learning and knowledge capability (Glebbeek and Bax, 2004). In Kenya, turnover rate in insurance companies has been of great concern to the insurance company managers. In 2005, the retention rate of insurance sales employees was 14% with a total annual turnover rate of 31% (Annual Agent Production and Survival Survey, 2008). Although this retention Percentage did increase in 2005, over the past 20 years, agent retention had been unable to dramatically increase. According to Kenya Association of Insurers (2008) journal, over 50,000 agents were recruited in insurance companies in Kenya, a figure that has dropped by 40% since then. Jubilee had a total of 400 employees by 2012 while Cooperative Insurance Company has a network of over 1000 agents spread across the country (AKI report 2010). The insurance sector is a bit more complex since its labour needs are vast and requires a large variety of specialists, from health professionals, financial professionals, engineering, and marketing, among others. Maintaining optimal levels of employee turnover among these employees is therefore not an easy task but demands competitive management and due diligence backed by clear guidelines and information which is not easily available currently.

Previous studies done in Kenya on labour turnover have not dealt specifically with Cooperative Insurance Company and Jubilee insurance companies. For example Kioko (2006) did an investigation on factors responsible for high Labour Turnover within Nightclubs in Nairobi. He found that employees frequently change or leave nightclub employment mainly because of pay related issues. The other contributing factors include workers stage in life and thus age levels, human resource management structures, employee level of education and employer's approach to human capital among others. Oroni (2006) studied labour turnover in state corporations through a case study of Kenya Wildlife Service (KWS). He found that labour turnover was due to low pay, employee relations, lack of recognition, lack of career prospects, discrimination/favouritism/tribalism, pursuit of further education and frustrations. Another study by Wambui (2012) investigated the perceived factors which influenced employee turnover in SDV Transami in Kenya. The study found that factors such as unmet expectations about the job, lack of satisfaction with the job, lack of recognition for work done, lack of flexibility in the job, involvement in the job among others influenced employee turnover in the organization. However, these factors are not a representation of the situation in all companies in Kenya and cannot be generalized as being representative due to the dependence of turnover on the unique internal and external environment of each firm. Therefore, the factors are expected to vary among companies and industries, an issue this study hopes to bring out more clearly by comparing factors influencing labour turnover in the two cases of Jubilee Insurance and Cooperative Insurance Company insurance. The Cooperative Insurance Company is known to have very high employee retention, as observed by the researcher who is aware of a few employees who currently work at the company and have been working in the company for more than ten years. A comparative analysis with another closely related and performing insurance company was observed to bring out the situation at the company better, therefore deciding on Jubilee Insurance Company. Both companies are performing well in the Kenyan insurance industry. This being the case however, very little has been done to understand turnover in the insurance industry and more so, there is no substantive evidence of existence of such a study in neither Cooperative Insurance Company nor Jubilee insurance companies. There is also no record of a study which is comparative in nature on turnover within the insurance industry of Kenya. The researcher was therefore motivated to bridge the knowledge gap that exists by providing answers to the question; what are the factors influencing labour turnover at Cooperative Insurance Company and Jubilee insurance company in Kenya?

1.3 Research Objective

To carry out a comparative analysis of perceived factors influencing labour turnover at Cooperative Insurance Company and Jubilee Insurance Companies in Kenya.

1.4 Value of the Study

The findings of this study are of great use to the government of Kenya. The finding of the study can help the government as policy maker to develop and enhance better policies. The findings will also enable insurance managers to better understand the relationship between labour turnover and organization performance for better performance of the insurance industry.

The study provides information related to the current status of employees intention to leave the organization, which has been suggested as a precursor to actual leaving behaviour (Posthuma, 2003). Enhanced knowledge may help managers intervene to increase job satisfaction, as well as to minimize turnover intention and actual turnover in their departments.

The current research study yields important information about the root causes of voluntary turnover. The study will help shed insight as to how the company can reduce the direct and indirect costs associated with employee turnover. Reduction in turnover could translate into increased client satisfaction, better use of financial resources in leadership development, reduced costs in recruiting and retraining, and overall improved morale. The results will help to highlight areas where the organization could be failing from the employees' point of view.

This study sheds some light as to the areas where competitors are doing better in terms of attracting and luring employees away from their current posts and might provide potential solutions to help the organization in crafting retention strategies so as to enable it retain key employees or positions.

The findings of the study will go along in providing the necessary information to the central organization of trade union (COTU) on the problems facing employees in different sectors and particularly in the logistics industry.

The study findings provide a platform upon which scholars and researchers can stand to focus and conduct other studies on the dynamics of employees in the logistics industry and other related sectors.

The final report of this study is of great value to the researchers as they carry out their research, as it will add to the already existing literature on labour turnover and insurance performance concepts. The study findings will act as reference material for future researchers.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter contains the literature review of the study. The chapter has the theoretical review which has two theories: Social exchange theory and Equity theory. The chapter also discusses the factors which influence turn over in organizations, and is culminated by a conceptual framework.

2.2 Theoretical Foundation

This study will be guided by two theories: the social exchange theory and the equity theory. The ideas behind the theories will be used to understand, explain and make inferences in this study.

2.2.1 Social Exchange Theory

Social exchange theory is based on the idea that social behaviour is the result of an exchange process, whose purpose it is to maximize benefits and minimize costs. The beginnings of this theory can be traced to the studies of Thibaut and Kelley, Homans and Blau (Brinkmann & Stapf, 2005). The exchange can be understood in terms of material and non-material goods, such as the symbols of approval or prestige (Homans, 1961). According to this theory, individuals consider potential reward and risks of social relationships. Further it implies that all human relationships are shaped by using a subjective reward-cost analysis and the comparison of alternatives. Someone who gives much will expect to get at least the same amount back from others and in return persons that receive a lot from others will be under pressure to give much back to them. People will terminate or abandon the relationship as soon as the costs outweigh the benefits (Farmer & Fedor, 1999).

The viability of social exchange theory is based on the assumption that individuals recognize one's life situations and notice each one's needs. It also refers to the principal of reciprocity, whereby privileges granted by one are returned by the other. The interaction between humans will be noticed consciously and in some way reciprocated. The willingness to generate an advance performance will be responded with a payback, either soon or with a time delay (Brinkmann & Stapf, 2005).

2.2.2. Equity Theory

Equity theory, also known as justice theory, was developed by John Stacey Adams in 1963 and can be categorized in job motivational theory. It proposes that individuals determine whether the distribution of resources is fair to both relational partners (Brinkmann & Stapf, 2005). In organization, the Equity theory of employee motivation describes the fair balance to be struck between an employee's inputs, such as hard work, skill level, tolerance or enthusiasm and an employee's outputs, such as salary, benefits or intangibles issues. Justice is existent, when inputs and outputs are fairly distributed among the participants, whereas the impartial criteria of the situation are less important than the way, how individuals estimate the value and the relevance of the inputs and outputs of the different participants (Brinkmann & Stapf, 2005).

Thus a highly motivated employee perceives his rewards to be equal to his contributions. He will judge to be treated fairly, when he feels that he is working and being rewarded at about the same rate as his peers. It should be emphasized that factors can affect each person's assessment and perception of their relationship with their relational partners differently; hence every employee does not measure his contributions in the same way. According to Leventhal, employees evaluate the fairness of the procedural justice regarding following criteria (Brinkmann & Stapf, 2005): the procedure must not contradict ethical standards; the allocation has to be applied consistently over time and people; decisions have to consider the interest of everyone; and the person, who uses the procedural method, should not be influenced by self-interest. The procedural method should contain correction possibility in order to revise decisions, for instance through objection based on the Equity theory. If an employee perceives the distribution of resources as unfair, then turnover intent will emerge.

2.3 Factors Influencing Labour Turn Over

This section discusses the factors which influence the employee turnover in organizations. The following factors have been discussed job satisfaction, organizational commitment, supervisor behaviour, employee age, employment tenure and monetary rewards.

2.3.1 Job Satisfaction

Job satisfaction is more about happiness on the work place. It creates interest in the job. We can define job satisfaction as, 'a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences'. Spector (1996, p. 214) It's a widely accepted phenomenon that job satisfaction has negative relation with voluntary employee turnover in an organization. Job satisfaction generates a negative impact on both turnover intent (Mitchell et al., 2000) and turnover itself (Dennis, 1998). Job satisfaction is the most important variable in understanding employee's intent to leave an organization. Job satisfaction is more likely to generate faster than organizational commitment. Dissatisfied employee is bound to have a greater intent to leave the job. Employees can be dissatisfied through different factors such as bad working environment, supervisor's negative behaviour, less growth chances or less monetary rewards etc.

2.3.2 Organizational Commitment (OC)

Organizational commitment plays an important role in restricting an individual's mind toward resignation. Committed employees always have better attendance record and stay for long period of time in an organization as compared with non-committed employees (Somers 1995). Other factors are in fact attached with organizational commitment that helps employee's intent to leave the job. Construction of OC is resulting from its relationship with work related behaviours like absenteeism, voluntary employee turnover (VET), job satisfaction, job involvement, and performance and supervisor behaviour (Finegan 2000). In order to develop the organizational commitment between employees, an appropriate organizational culture need to established in which everybody is informed with organizational mission.

Arthur (1994) suggests that human resource policies must build on commitment instead of control over VET (voluntary employee turnover) and higher productivity. Such high commitment management practices are portrayed by the use of information distribution, problem solving, reduced status difference, job flexibility, team working, and training & developing employees as a valuable resource rather than treating them like a disposable factor of production (Wood and de Menezes, 1998). Human Resource department must be involved in training and development function to get more loyal and committed employees. It is not possible to identify training & development cost for each employee but we can see the effect in terms of employee commitment, low VET, and high productivity. According to Tsui et al. (1997), it is difficult to evaluate the return on investment in training because the effects cannot be easily isolated and the duration of the benefits stream depends upon retention of human capital but there is evidence of an inverse relationship between labour turnover and extent of human resource development (HRD).

According to Meyer and Allen (1991), there are three components of OC namely: affective; continuance; and, normative. Affective commitment explains employee emotional attachment and identification with and involvement in the organization. In this type of commitment employees really want to stay with existing employer. Continuance commitment refers to employee awareness regarding cost attached with leaving the organization. People don't willingly resign because they need to stay due to certain reasons. Normative commitment shows a feeling of obligation to continue working in the same organization. People stay in this case because they feel that they have to stay. Above all affective commitment has been the most studied and thoroughly researched topic due to consistent relationship with organizational outcomes like performance, attendance and employee retention (Meyer and Allen 1997).

2.3.3 Supervisor Behaviour

Working conditions play very crucial role to increase job satisfaction and organizational commitment in the workforce community. The work environment includes factors or features that have all work conditions and situations for employees (Dawson, 1986). In the textile sector working conditions are averagely good enough but in some units old machinery has used that is a main cause of dust or fluff in the production halls. According to prior experience many well skilled workers decide to shift other company just because of non-healthy work environment. On the workplace another big issue faced by low level workers such as role ambiguity and stressful behaviour of supervisor or senior manager. Sometimes supervisor behave in very bad manner with his subordinates. These kind of unethical activities are normal in textile sector because in this industry middle level employees are technically strong but not have enough education so somehow they treat workers in rough way.

2.3.4 Employee Age

From the study this concept comes out that workers age also contribute towards the decision to stay or leave the job. It is crystal clear; age has positive relation with organizational commitment (OC) and job satisfaction. A mature person has more confidence and patience on the work place than a younger one. According to Wright and Hamilton (1978), with increase in age a person has greater level of prestige and confidence. Just like the same age has direct relation with OC, if a worker is getting older then he supposes to be more committed with the organization. According to Weiner (1982, p. 419), the positive relation between age and organizational commitment shows the personal growth or development of an employee as an identification with an organization. In relation to voluntary employee turnover (VET), age factor in employee community has been negatively linked. Older employee has more probability to stay longer than a younger employee. Aged workers are more likely to have financial and familiar compulsions that dictate to continue employment (Huczynski & Fitzpatrick, 1989). Young workers are free from these responsibilities so they are always ready to take risk.

2.3.5 Employment Tenure

Employment tenure is time period that a person spent on the job in an organization. It has negative relation with voluntary employee turnover (VET). When an employee getting older in a company and promoted on senior designation then he/she has less willingness to quit or leave the job. According to Beckers (1960), long period of employment increases organizational commitment (OC) that reflects maximum investment has been made in the company. Employees with great relationship with colleagues and emotional attachment with company, have too much to lose while leaving the organization. It is theorized that workers who spend longer time normally get a supervisory position where they feel comfortable or satisfied so that turnover rate automatically remain in acceptable level.

2.3.6 Rewards

Monetary reward has been defined in such a way like cash or equivalent that an employee receives against his services from the employer. Here equivalent reward includes fringe benefits, medical facilities and provident fund etc. Monetary rewards have negative effect on Voluntary Employee Turnover. This reward helps to raise job satisfaction (JS) or organizational commitment (OC) and likewise suite for minimizing the intent to leave the job. In this inflationary economic situation textile workers are eager to augment in salary package and other performance based incentives should also be given to them.

Non-monetary reward programs can provide effective alternatives without compromising morale or straining operating budgets. But companies often miss the opportunity to offer rewards with a much smaller financial footprint while promoting the company's overall goals and objectives and boosting morale and positive competition among staff teams.

These incentives can be easy to implement, maintain and track. Some of them can be woven into current internal communications (whether that is a newsletter, monthly email or quarterly report). Others may be dovetailed into a special event, or travel to a conference for a team who has reached measurable goals.

Implementing a non-monetary reward program can build loyalty, culture, and communication between internal networks while it reduces conflict and conflict-related competitiveness between management and staff—all at little cost to the company. In some cases, events, conference bookings, the printing of certificates (or ordering of plaques) and scheduling time off for deserving staff can be planned and executed outside of staff time.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides information on the research methodology of the study. It covers the research design, population and the data collection technique to be applied, and the methods and tools that were used to analyze the information about the study.

3.2 Research Design

Copper and Schindler (2003) define research design as “the blueprint for fulfilling objectives and answering questions”. Accordingly, Kothari (2004) contends that the research design describes the arrangement of conditions for collection and analysis of data, bringing together the relationship and rationale of the study as a means to achieve the research objectives using empirical evidence obtained economically. This study employed descriptive research design. Descriptive studies describe characteristics of a population or phenomenon. A descriptive study tries to discover answers to the questions, “who, what, when, where and sometimes how,” (Copper and Schindler, 2003). This design was appropriate for this study since the study was comparative in nature and hence requires describing fully the two cases on the factors affecting labour turnover between Cooperative Insurance Company and Jubilee insurance company.

3.3 Target Population

Population is defined as the entire group of individuals, events, or objects having a common observable characteristic (Mugenda & Mugenda, 2003). It consists of all elements of study in a research. The target population for this study were the employees in both Jubilee and Cooperative Insurance Company Insurance Companies. There are a total of 609 employees in Jubilee Insurance Company and 300 employees at Cooperative Insurance Company giving the total study’s target population of 909, (AKI 2013).

3.4 Sample Design

This study used stratified sampling method to select a sample, which was used as a representative of the study population of employees from Cooperative Insurance Company and Jubilee Insurance Company. Stratified sampling design was good for the study as it incorporates unique characteristics in stratifying the population hence making a sample representative. Sampling was done since the employees were many. Therefore, the study took a representative sample of employees in each insurance company. The strata were according to the level of employment from top management, middle management, supervisory and support staff. Mugenda and Mugenda (2003) posited that a sample of between 10% to 20% could be taken as a representative of the population which have closely related characteristics as the one the study targets. The study therefore involved a sample from 20% of its total target population, with a final sample size estimate of 182 respondents. The total sample was composed of 182 respondents; $\frac{1}{3}$ from Cooperative Insurance Company and $\frac{2}{3}$ from Jubilee Insurance Company. The sample of 61 respondents from Cooperative Insurance Company and 121 respondents from Jubilee insurance companies informed the study.

3.5 Data Collection

The study used primary data to achieve the intended objective. Primary data was collected through stratified sampling. The researcher administered semi-structured questionnaires to determine factors that influence turnover. According to Mugenda and Mugenda (2003) questionnaires are commonly used to obtain important information about the population. The questionnaire was structured into two sections namely: Section one or demographical information from the study sample; and section two on factors influencing labour turnover section to meet the study objectives. The questionnaires were administered to the respective respondents and picked later to allow the respondents ample time to internalize and fill them. This was also economical and time saving.

3.6 Validity and Reliability

The study's validity and reliability check was done by conducting a pilot test. A pilot study is a smaller version of a larger study that is conducted to prepare for that study. A pilot study can involve pre-testing a research tool, like a new data collection method. It can also be used to test an idea or hypothesis (Hulley, 2000). The pilot study was conducted using questionnaires which were administered to the respondents prior to the main study. Data collected during the pilot study were not used in the final data analysis. The purpose of the pilot study is to ensure validity and reliability of the questionnaires. Mugenda and Mugenda (2003) asserted that, the accuracy of data to be collected largely depended on the data collection instruments in terms of validity and reliability.

Validity as noted by Robinson (2009) is the degree to which results obtained from the analysis of the data actually represents the phenomenon under study. Validity was ensured by having objective questions included in the questionnaire and by pre-testing the instrument to be used through a pilot study in order to identify and change any ambiguous, awkward, or offensive questions and technique as emphasized (by Cooper and Schindler,2003).

Reliability on the other hand refers to a measure of the degree to which research instruments yield consistent results (Mugenda & Mugenda, 2003). In this study, reliability was ensured by pre-testing the questionnaire with a selected sample of respondents from the insurance sector which were not included in the final analysis.

3.7 Data Analysis

Data was analyzed using descriptive and inferential statistics. Descriptive statistics will be represented by measures of central tendency that is mean and standard deviation, frequency distribution and frequencies. Inferential statistics for the study was the student t-test. The t-test was used in the study to compare the mean differences between the Jubilee and Cooperative insurance companies.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter provides the data analysis and presentations. The chapter covers the introduction part, the response rate, the demographic information, the comparative tests of the factors affecting employee turnover, such as t-test, mean values and chi square. The chapter also has a section on the comparative tests on job rewards.

4.2 Response Rate

The total number of questionnaires for this study was 182. The strata size for Jubilee was 121 while that of Cooperative was 61 respondents. The researcher collected 71 questionnaires from Jubilee Insurance Company and 43 from Cooperative Insurance Companies giving a total of 114. This represents an overall response rate of 62.6%. According to Mugenda and Mugenda (2003) a response rate of 50% is adequate for a study, 60% is good and 70% and above is excellent. Thus, a response rate of 62.6% was fit and reliable for the study as shown in Table 4.1

Table 4.1: Study response rate

	Jubilee	Cooperative	Total
Total questionnaires distributed	121	61	182
Filled and returned questionnaires	71	43	114
unreturned questionnaires	50	18	68
Response rate	**58.70%**	**67.20%**	**62.60%**

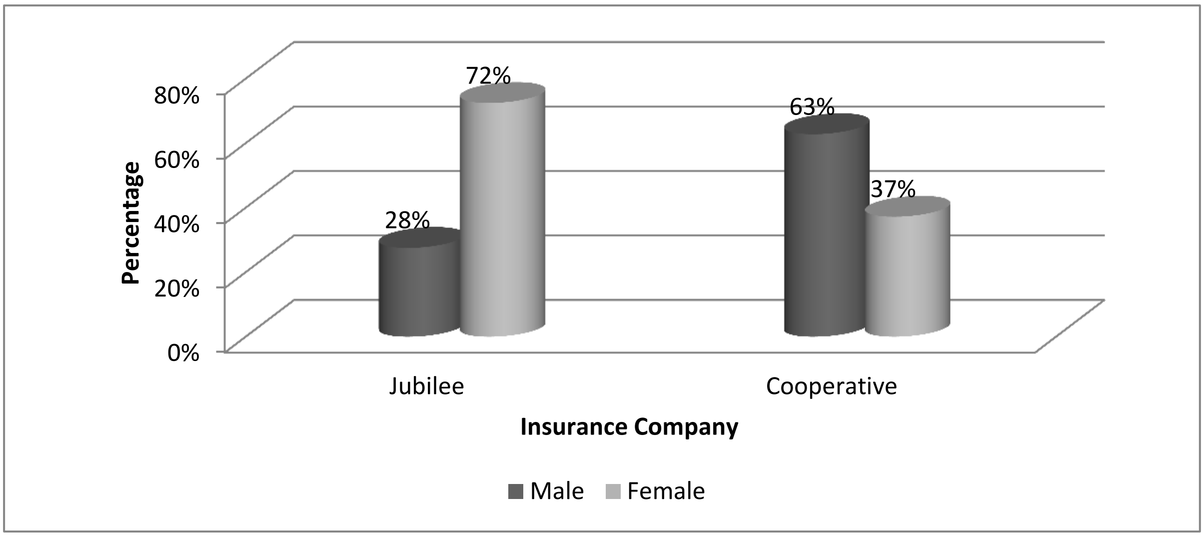
4.3 Demographic Information of the Respondents

The demographic characteristics of the respondents comprised of gender, age, level of education, position held, and length of service in the organization. These are discussed in the following sections.

4.3.1 Gender

Gender composition was analyzed and the findings are presented in Figure 4.1. The results shows that majority of respondents who took part in the study from Jubilee Insurance Company were female (72%) compared to the 37% represented at the Cooperative insurance company (CIC). On the contrary, male respondents were few in Jubilee (28%) compared to 63% in Cooperative.

Figure 4.1: Gender composition of the respondents



4.3.2 Age of Respondent

The results indicate that more young staff from Cooperative than from Jubilee took part in this study. Most of the respondents who took part in filling the questionnaire were aged between 21-30 years (42.86%) as shown in Table 4.2, Cooperative had 46.51% of its employees in 21-30years age group compared to 40.58% for Jubilee Insurance. In addition, 5.8% of jubilee's employees were above 50 years of age while Cooperative had no employee in this category. The study found that few respondents aged above 40 years took part in the study (Jubilee=20.29% and cooperative =16.28%). This shows that most of the staff members in both insurance companies who took part in the study were aged between 21 years and 40 years (approximately 74% for Jubilee Insurance Company and 87% for Cooperative Insurance Company).

Table 4.2: Age bracket

Age bracket	Jubilee	Cooperative	Total
Below 20 years	0%	2.33%	0.89%
21-30 years	40.58%	46.51%	42.86%
31-40 years	33.33%	34.88%	33.93%
41-50 years	20.29%	16.28%	18.75%
Above 50 years	5.8%	0%	3.57%
Total	100	100	100

4.3.3 Education level of the respondents

The level of education of a person is an indicator of the technical skills and capacity of the person. Thus, information on the education level of a person is very important. The study found that most of the respondents from Jubilee insurance company had undergraduate degrees (56%) compared to 71.7% from Cooperative Insurance Company. The number of respondents who had postgraduate degrees from Jubilee was 22.54% while those from Cooperative Insurance Company were 15.38%. This shows that both insurance companies had employed undergraduate staff members in their organizational as shown in table

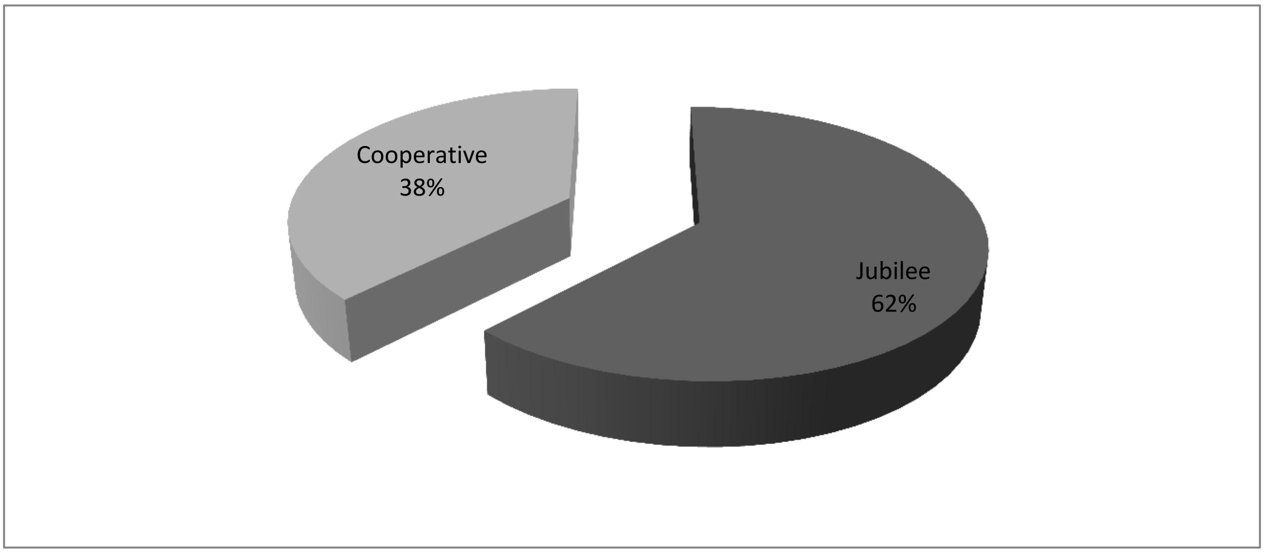
Table 4.3: Level of education

Level of education	Jubilee	Cooperative	Total
Primary education	0	2.56	0.91
Diploma level	21.13	10.26	17.27
Undergraduate Degree	56.34	71.79	61.82
Postgraduate Degree	22.54	15.38	20
Total	**100**	**100**	**100**

4.3.4 Insurance company

The study was done in two insurance companies. The findings are as shown in Figure 4.2. The figure shows that more respondents from Jubilee Company (62%) were involved in the study than from Cooperative Insurance Company, which was represented by only 38% respondents who took part in the study.

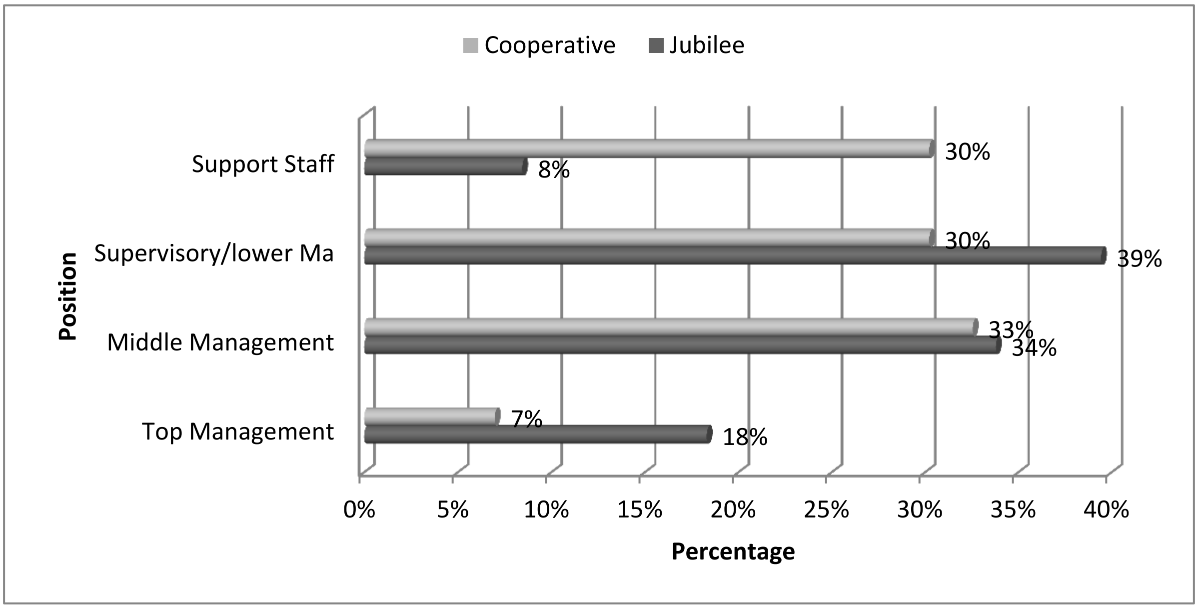
Figure 4.2: Number of respondents by company



4.3.5 Position in the organization

Respondents were asked to indicate their position in their respective organizations. Results are presented in Figure 4.3. The results show that most of the respondents who took part in this study from Jubilee insurance company were supervisors (39%) while majority from Cooperative were middle level managers (33%). The smallest number of respondents in Jubilee Insurance Company comprised of top managers while that of Cooperative Insurance Company were the support staff.

Figure 4.3: Response rate by position in the firm



4.3.6 Length of Service

The study shows that most of the Jubilee respondents (43.48%) as shown in Table 4.4 had a work experience of between 6-10 years. On the other hand, majority of the respondents (51.22%) in Table 4.4 from Cooperative Insurance Company had a work experience of less than 2 years. The high number of staff with less years of service in their current jobs at Cooperative Insurance Company could be because of a high turnover rate among other factors.

Table 4.4: Length of service

Period	Jubilee	Cooperative	Total
Less than 2 years	7.25	51.22	23.64
2-5 years	23.19	24.39	23.64
6-10 years	43.48	19.51	34.55

More than 10 years	26.09	4.88	18.18
Total	**100**	**100**	**100**

4.4 Comparative analysis of the factors affecting turnover rate

The researcher performed statistical test to determine the factors, which influence employee turnover in the two insurance companies. The data was analyzed through descriptive statistics, which included mean and standard deviation. The mean values were used to rank the factors. Standard deviation was used to show the extent of dispersion among the responses.

Table 4.5: Comparative analysis of factors affecting the rate of turnover among employees

FACTORS	**Jubilee Insurance company**			**Cooperative Insurance Company**		
	Mean	Std. Dev.	Rank	Mean	Std. Dev.	Rank
Work Environment	4.59	0.65	1	3.81	1.10	16
Relationship with colleagues	4.54	0.95	2	3.74	1.01	18
Level of Experience at the firm	4.27	1.06	3	4.34	0.62	2
salary and remuneration	4.25	0.73	4	4.37	0.62	1
Experience Level	4.23	0.70	5	4.05	0.88	8
Rewards and incentives	4.21	0.78	6	4.30	0.74	3
Preparations for Retirement	4.20	1.02	7	4.12	0.79	6
Organization Commitment to Retain	4.15	1.02	8	3.83	1.00	15
Building good image of the company	3.90	0.85	9	3.61	1.22	19
Punctuality in the morning	3.87	0.88	10	3.95	0.85	10
Willingness to work for the company	3.87	0.67	11	4.05	0.81	7
Emotional Attachment	3.87	0.97	12	3.93	1.01	11
Sacrifice of personal time/extra time	3.68	0.92	13	3.84	1.02	14
Recent skills (eg. IT)	3.59	0.87	14	4.00	0.94	9
Method of management adopted	3.56	0.81	15	3.79	1.25	17
Management structure	3.44	1.00	16	3.90	1.16	13
Social behaviours of the management staff (direct supervisor)	3.21	0.79	17	4.26	0.90	4
Generational compatibility	3.13	0.96	18	3.93	1.06	12
More than one direct supervisor	2.99	0.88	19	4.19	0.93	5

Grand Mean	3.87			4.00		

The highly ranked factors which influence employee work output in Jubilee Company were the working environment (M = 4.59) and relationship with colleagues (M = 4.54. Other factors included level of experience with the firm (M = 4.27), deserved salary and remuneration (M = 4.25), experience level and ample rewards and incentives. On the contrary the employees in Cooperative insurance were influenced most by deserved salary and remuneration (M = 4.37), experience with the firm (M = 4.34), ample rewards and remuneration (M = 4.30), social behavior of the management staff, number of supervisors and retirement package.

The least influencing variable for the jubilee staff members include presence of more than one supervisor (M = 2.99) and general compatibility (M = 3.13). On the contrary, good image of the company (M = 3.61) and relationship with the colleagues (M = 3.74) least influenced employees from Cooperative Insurance Company. Notably, some factors, which highly influenced turnover in jubilee, were least under cooperative insurance company such as relationship with colleagues and more supervisors.

T-statistics were used to test the overall difference between grand mean scores on factors that affect turnover. The results are presented in table 4.6.

Table 4.6: Test of overall difference between the grand mean scores

Two-sample t test with equal variances		
Group	Obs	Mean
Jubilee	71	3.871053
Cooperative	43	4.008447
diff		-0.137394

Ho: diff = mean(Jubilee) - mean(Cooperative) = 0 t = -1.8861
diff = 0 degrees of freedom = 112

The difference between grand mean for Jubilee factors and grand mean for Cooperative factors was -0.137394. The resulting t-test value was t (112) = -1.8861, $p > 0.05$ at 95% confidence level. This shows that the difference is not significant implying that there was no difference between the two grand mean scores for the two companies.

CHAPTER FIVE: SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study was motivated by the need to establish the factors affecting the rate of turnover in Jubilee and Cooperative Insurance Companies. The data analysis and tests of association and comparison tests were done in chapter four. This chapter presents the discussions of the findings, the conclusions of the study and the recommendations of the study. There is also a section on the recommended areas for further study.

5.2 Summary of Findings

The study acquired a reliable response rate from both of the targeted companies, Jubilee and Cooperative Insurance Companies. A look at the study demographics shows a situation where gender, age, education and position within the firms differed indicating that the study did not target specific groupings in the study and showing randomness of the data collected, thus highlighting the reliability of the study outcomes.

The study found that turnover of the staff members in both companies was influenced by working environment, relationship with colleagues, level of stay in the company, deserved salary and remuneration, level of experience, rewards and incentives, salary and remuneration, experience with the firm, social behavior of the management staff, number of supervisors, and retirement package, among other factors. However, the factors were observed to show varying rankings of the effects they have on employee turnover within each of the two companies.

In Jubilee, the turnover of the staff members was found to be influenced by the working environment, relationship with colleagues, level of stay in the company, deserved salary and remuneration, level of experience and ample rewards and incentives. On the other hand, Cooperative Insurance staff members' turnover was influenced salary and remuneration, experience with the firm, ample rewards and remuneration, social behavior of the management staff, the number of supervisors and the retirement package available.

The observed difference can be in factors such as working environment and relationship among colleagues which were observed to have great influence on turnover among staff in

Jubilee Insurance Company but had very low influence in Cooperative Insurance Company. However, a statistical scrutiny of the factors using t-test statistics showed that there is no significant difference between factors affecting turnover for the two insurance companies, Jubilee and Cooperative Insurance Companies.

5.3 Discussion of the Findings

The study collected data from two insurance companies: Jubilee (62%) and Cooperative (38%) Insurance Companies. The study was done between the companies although they had different organizational structure and strengths. The information on turnover is important to the management for various reasons. According to Lazear (2000), information on turnover can help the planning, prediction and control of resources in organizations.

The study revealed that different factors influenced the turnover rate of the staff members in the two insurance companies differently. In Jubilee, the turnover of the staff members was influenced by the working environment, relationship with colleagues, level of stay in the company, deserved salary and remuneration, level of experience and ample rewards and incentives. According to Birdir (2002), reasons affecting turnover can be categorized into three major groups: causes related to the enterprise, to the individual and to the industry.

In Cooperative Insurance staff members, the turnover was influenced highly by the deserved salary and remuneration, experience with the firm, ample rewards and remuneration, social behavior of the management staff, the number of supervisors and the retirement package.

The turnover of the staff members working in Jubilee Insurance Company was least influenced by the number of supervisors, the general compatibility, the social behavior of the management staff (direct supervision) and management structure. On the hand, Cooperative Insurance Company staff members turnover was least influenced by the image of the company, relationship among colleagues, method of management adopted, the work environment. The factors although they least influenced the staff members they had great influenced since their mean values were close to 4.0 which denoted great extent.

The study noted that some common factors highly affected the work output of the staff members in the two insurance companies. They included level of experience at the firm, deserved salary and remuneration, ample rewards and remuneration. This agrees with

Brinkmann and Stapf's (2005), idea that willingness to generate an advance performance is responded with a payback, soon or with a time delay.

However, factors like working environment and relationship among colleagues highly influenced turnover among staff in Jubilee Insurance Company and least in Cooperative Insurance Company. The two factors are internal and depend highly on the management of the company. Similarly, some factors such as social behavior of the supervisors and number of supervisors were strong in Cooperative Insurance Company and weak in Jubilee Company. These factors are aspects connected with supervision of the employees. This shows that turnover rate can be determined by difference in companies, structure, region and even industry. Rankin (2006) stated that levels of turnover vary from region to region with highest rates being found where unemployment rate is lower and where it is easy for people to get alternative employment.

A t-test showed no significance difference between the factors affecting the turnover of the employees at Jubilee and those working at Cooperative Company. This was confirmed by a Chi-square test, which showed that there was a significant association (resemblance) between the factors affecting employees 'output in Jubilee and those working in Cooperative Insurance Companies.

The study revealed that job rewards and output of the staff members were different in both companies. A study by Wambui (2012) found that factors such as unmet expectations about the job, lack of satisfaction with the job and lack of recognition for work done were linked with turnover rates in companies. In Jubilee Insurance Company, the level of remuneration was highly linked with the high work output of a staff member while in Cooperative Insurance Company high output was highly linked to job promotion. The second reward related to turnover of the staff members in Jubilee was monetary rewards while in Cooperative Company it was linked to level of remuneration. In both companies the work output of an employee was least linked with rate of turnover among the employees. The findings show that the work output of the employees is closely linked with some rewards. This agrees with social exchange theory that individuals consider potential reward and risks of social relationships, subjective reward-cost analysis and the comparison of alternatives.

A t-test showed no significant difference in the factors that determine the rates of turn over for the two companies. This shows that observed employee characteristics are not strong factors influencing the different rates of turnover in the two companies. This reflects the argument by Farmer and Fedor (1999) that people will terminate or abandon the relationship as soon as the costs outweigh the benefits of a job.

5.4 Conclusions

The study concludes that the level of experience of a staff member in a firm and the salary are critical in employee management since they were highly ranked in both companies as affecting the level of employee turnover. The working environment and relationship among the staff members greatly influence the rate of turnover in some companies and least influences them in other companies. The difference in the effect is majorly on the management structure, culture and type of management of the company. It was observed that the number of supervisors and type of supervision influence turnover of staff in some companies.

From this research, the two companies, Jubilee and Cooperative Insurance Companies, have no significant difference in the factors affecting employee turnover. The study found that the factors tend to be the same in both companies. The work outputs of staff members in different insurance companies attract different job rewards. In Jubilee, it is related with remuneration while in Cooperative it is related with promotion. Thus, employees work hard in both companies to realize different rewards. The work output and the rate of staff turnover have no significant relationship in both companies. This shows that an employee may not be influenced by his output to leave a job but may be influenced by other factors such as the level of salary and promotional offers.

5.4 Recommendations

The study recommend that Jubilee insurance company should ensure that they look into the company’s work environment, relationship of employees with their colleagues, level of experience at the firm, salary and remuneration, and experience level of their employees so as to improve their employee retention at the firms. On the other hand, Cooperative Insurance Company should enhance their policies in relation to salary and remuneration, level of experience at the firm, direct supervision, social behaviours of the management staff, and preparations for retirement. These would ensure that the companies are able to benefit further from their employees.

The study found that the experience with a firm, the level of deserved salary, rewards and remuneration influence the decision of workers in regard to stay within the firms and their productivity. Thus, the human resource managers for companies should put in place the optimal requirements that ought to be met so as to uphold the above three factors. This would benefit firms in enhancing their employee retention so as to improve productivity.

The extent, type and degree of supervisions affect the work output of the employees and turnover in some companies. It is recommended that management of companies review their organizational structure to ensure the optimal number of supervisors is allocated manageable numbers and the degree of supervision is regulated, hence allowing the employees have a single source of command, which would enhance their input, retention and their productivity.

The study found no significant difference between the factors affecting turnover in Jubilee and in cooperative insurance companies. This shows that managers of companies need to do thorough research from the market and identify the better ways of retaining their employees since the factors affecting the employees across similar companies are highly similar.

The study found that the level of work output of an employee does not significantly influence the decision of the employee on with regard to leaving an organization. This implies that employees output and turnover are two distinct variables for the management to work on. The managers should therefore seek alternative strategies of approaching turnover in their companies.

5.5 Suggestions for further areas of study

The study collected information on two companies in the same line of industry, which in this case was insurance. However, the information collected could be different in other companies and industries. It is thus recommended that a similar study be done in other industries to reveal more on the factors affecting turnover in organizations.

The study was cross sectional in nature. This means that the information and the findings reflect the time of the time and no other time. However, the current scenario could have been different in earlier years. It is recommended that a similar study be done over some years to establish the behavior of the same factors over time.

REFERENCES

Abelson, M.A. (1987). Examination of Avoidable and Unavoidable Turnover, *Journal of Applied Psychology*. 72: 382-386.

Arthur, J.B. (1994). Effects of human resources systems on manufacturing performance and turnover, *Academy of Management Journal,* vol. 37, pp. 670–687.

Association of Kenyan Insurers (2013). Business Monitor International, *Kenya Insurance Report* Q2,April 17,- SKU: BMI5020861

Beardwell, I. & Hollden, L. (2001). *Human Resource Management* (3rd ed). Edinburg Gate: Prentice-Hall.

Becker, H.S. (1960). Notes on the Concept of Commitment. *American Journal of Sociology,* 66, 32-42

Birdir, K. (2002). General Manager Turnover and root causes. *International Journal of Contemporary Hospitality Management*, Vol. 14 No.1, pp.43-7.

Brinkmann, R. (2005). Innere Kuendigung-Wenn der Job zur Fassade wird. Muenchen: C.H.Beck.

Campion, M.A. (1991): Meaning and Measurement in Turnover: Comparison of Alternative Measures and Recommendations for Research. *Journal of Applied Psychology,* , 76: 199-212.

Carsten, J.M. And Spector, P.E. (1987): Unemployment, Job Satisfaction, and Employee Turnover: A Meta-Analytic Test of the Machesney Model. *Journal of Applied Psychology*, 72: 374-381.

Chartered Institute of Personnel and Development. CIPD (2004). Employee turnover and retention. [On-line] Available on www.cipd.co.uk/subjects/ hrpract/ turnover/ empturnretent .htm?

Cho, S., Woods, R.H., SooCheong, J., Mehmet, E. (2006), "Measuring the impact of human resource management practices on hospitality firms' performances",*International Journal of Hospitality Management,* Vol. 25 No.2, pp.262-77.

Clark-Rayner, P. And Harcourt, M. (2000): The Determinants of Employee Turnover Behaviour: New Evidence from a New Zealand Bank. *Research & Practice in Human Resource Management*, 8: 61-71.

Cochran W., (1967). Sampling techniques; Modern Asia edition in Antiques, Books & Manuscripts. American | eBay

Dawson S, (1986). *Analysing Organizations,* Macmillan,

Dennis, G. (1998). Here today, gone tomorrow: How management style affects job satisfaction and, in turn, employee turnover. *Corrections Today,* 60, 96-102.

Farmer, S. & Fedor, D. (1999). Volunteer Participation and Withdrawal: A Psychological Contract Perspective on the Role of Expectations and Organizational Support. *Nonprofit Management & Leadership* 9, 349-367.

Gray, A.M. & Phillips, V.L. (1996). Labour turnover in the British National health services: A local labour market analysis. *Health Policy,* 36(3), p. 273-289.

Griffith, R.W., Hom, P.W., & Gaetner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: Update, moderator test and research implications for the nest millennium. *Journal of Management*, 26(3), pp. 463- 488.

Grobler, P.A. & Warnick S., M.R. Carrel N.F., Elbert, and Hartfierd, R.D. (2006). *Human Resource Management in South Africa*, (2nd ed). UK London: Cornwall Institute of Management.

Hacker, C.A (1999). *The cost of bad hiring decisions and how to avoid them*. Boston : St Lusia Press

Hayes, L.T, O'Brian, L.O. Duffield, C., Shamian, J., Buchan, J. Hughes, F., Heather, K., Laschinger, S. North, N. & Stone, P.W. Nurse turnover: A literature review. *Intrenational Journal of Nursing Studies*, 43, p. 237-263 [On-line] Available on www.sciencedirect .com

Hinkin, T.R., Tracey, J.B. (2000), The cost of turnover, *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 41 No.3, pp.14-21.

Homans, G. (1961). *Social Behavior*: Its Elementary Forms. New York: Harcourt.

Hulley S. B., (2000). *Designing Clinical Research._An Epidemiologic Approach*. 2nd ed. Philadelphia, PA

Insurance Industry Statistics Report for Year (IISR) (2004).

Johnson, J.E. & Buelow, J.R. (2003). Providing staff feedback to nurse managers using internal resources. *Journal of Nursing Administration,* 33(7-8), p. 391-396.

Kenya Insurance Survey KPMG and the Insurance Institute of Kenya Publication. (2004)

Kimathi J.N. (2000) E*mployee attitude towards promotion on merit. a case study of Kenya college of communications technology (KCCT),* Unpublished MBA project university of Nairobi.

Kioko, Kaunda J.(2006) *An Investigation of Factors Responsible for High Labor Turnover within Nightclubs in Nairobi*. Unpublished MBA project. University of Nairobi.

Koome K. P(2011) *Factors Influencing Agents Retention In Insurance Industry: A Survey of Selected Insurance Companies in Nairobi (Kenya). Journal of Economics and Sustainable Development*. Vol.2, No.3

Lazear, E. (2000): Performance pay and productivity. *American Economic Review*, 90:1346-61.

Lee, E. (1966), "A theory of migration", *Demography*, Vol. 3 pp.47-57.

Meyer, J.P. and Allen, N.J. (1991). A Three-Component Conceptualization of Organizational Commitment. *Human Resource Management Review*, 1(1), 61-89.

Meyer, J.P. and Allen,N.J.(1997). *Commitment in the Workplace: Theory, Research, and Application*. London: SAGE pub

Mitchell, T.R., Holtom, B.C. and Lee, T.W. (2001), How to keep your best employees: developing an effective retention policy, *Academy of Management Executive*, 15(4), 96-108.

Nel, P.S., Gerber,P.D., Van Dyk, P.S., Haasbroek, G.D., Schultz, H.B., Sono, T. & Werner A. 2003. *Human Resource Management*. Fifth Edition. Cape Town: Oxford University Press.

Nelson, J.C. and Quick, D.L. (1997), *Organisational Behavior*: Foundations, Realities, and Challenges, (New York: West Publishing Company), pp. 83-84.

Oroni, E. I.(2006) *Labour turnover in state corporations in Kenya: a case of Kenya Wildlife Service(KWS).* Unpublished MBA project. University of Nairobi.

Philips, J.D. (1990): The price tag on turnover. *Personnel Journal.* December;, 69(12): 58-61.

Posthuma, R.A. (2003). Procedural Due Process and Procedural Justice in the Workplace: A Comparison and Analysis. Public Personnel Management, 32, 181-196.

Rankin, N. (2006) Benchmarking labour turnover. IRS *Employment Review*. No 842, 3 March, p. 42-48

Rao, V. S. P. And Narayana, P. S. (1998), *Organisation Theory and Behaviour*, (Delhi: Konark Publishing Company), (329-330)

Robinson, B., (2009). E-waste: An assessment of global production and environmental. Washington D.C.: National Academies Press.

Shaw, J., Delery, J., Jenkins, G. And Gupta, N. (2001): An Organization- Level Analysis of Voluntary and Involuntary Turnover. *Business School Research Series,* January, ISBN 1 85901 169 1.

Sigala, M. (2006), "Performance impact of flexible working in hotels", paper presented at 24th EuroCHRIE International Congress "In search of Excellence for tomorrow's tourism, travel and hospitality", University of the Aegean, Thessaloniki, 25-28 October.

Somers, M. J. (1995). Organizational commitment, turnover and absenteeism: an examination of direct and interaction effects. *Journal of Organizational Behavior,* 16, 49-58

Spector, P. E. (1996). *Industrial and organizational psychology.* New York: John Wiley & Sons.

Tsui, A.S., Pearce, J.L., Porter, L.W., & Tripoli, A.M. (1997). Alternative approaches to the employee-organization relationship: Does investment pay off? *Academy of Management Journal*, 40, 1089-1121.

Vaugeois, N., Rollins, R. (2007), "Mobility into tourism: refuge employer?", *Annals of Tourism Research*, Vol. 34 No.3, pp.630-48.

Waldman, J.D., Kelly, F., Arora, S. & Smith, H.L. (2004). The shocking cost of turnover in health care. *Health Care Management Review,* 29(1), pp. 1-7.

Wambui, K. E. (2012) *Perceived factors influencing employee turnover in SDV Transami, Kenya*. Unpublished MBA project. University of Nairobi.

Wiener, Y. (1982). "Commitment in organizations: a normative view" *Academy of Management Review*, 7(3), pp. 418-28.

Wood, S. & de Menezes, L. High commitment management in the UK: Evidence from the Workplace Industrial Relations Survey, and Employers' Manpower and Skills Practices Survey. *Human Relations,* 1998, 51(4), 485–515.

Wright, H., & Hamilton, R. (1978). Work satisfaction and age: Some evidence for the job change hypothesis. *Social Forces,* 59(4), 1140-1158.

APPENDICES

Appendix i: Questionnaire

Section A: Demographic information

1. Indicate your gender.

   Male [ ] Female [ ]

2. Indicate your age bracket.

   Below 20 years [ ]

   21-30 years [ ]

   31-40 years [ ]

   41-50 years [ ]

   Above 50 years [ ]

3. Indicate the highest level of education attained.

   Primary education [ ]

   Secondary education [ ]

   Certificate level [ ]

   Diploma level [ ]

   Undergraduate Degree level [ ]

   Postgraduate Degree level [ ]

4. Please indicate the insurance company you work for:

   a). Jubilee Insurance Company [ ] b). Cooperative Insurance Company [ ]

5. What is your current level of employment at the organization?

   Top Management [ ]

   Middle management [ ]

   Supervisory/ Lower management level [ ]

   Support Staff [ ]

6. For how long have you worked at this organization?

Less than 2 years [ ]

2- 5 year [ ]

6-10 year [ ]

More than 10 years [ ]

Section B: Factors Affecting Labour Turnover

7. To what extent would you link your work output to the following factors as observed within your area of work?

	No extent at all	**Low extent**	**Moderate extent**	**Great extent**	**Very great extent**
Deserved salary and remuneration					
Ample rewards and incentives					
Good working Environment					
Building good image of the company					
Your punctuality in the morning					
Willingness to work for the company					
Sacrifice of personal time/extra time					
Management structure					
More than one direct supervisor					
Social behaviours of the management staff (direct supervisor)					
Method of management adopted					
Recent skills (eg. IT)					
Generational compatibility					
Experience Level					
Preparations for Retirement					
Level of Experience at the firm					
Relationship with colleagues					
Emotional Attachment					

Organization Commitment to Retain					

8. To what extent would you link your work output to the following areas acquired from carrying an activity within your firm?

	No extent at all	**Low extent**	**Moderate extent**	**Great extent**	**Very great extent**
Monetary rewards					
Job promotion					
Rate of labour turnover					
Level of remuneration					

Thank You for Participation