FACTORS INFLUENCING LABOUR TURNOVER IN COMMERCIAL BANKS IN KENYA

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER 2015
DECLARATION

This research project is my original work and has not been submitted for examination to any other University.

Signed …………………………………… Date ………………………………………

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This research project is submitted for examination with my approval as the University Supervisor.

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DEDICATION

This Project is dedicated to my family and those who supported in the completion of this Project writing. Thank you and God bless you abundantly.
ACKNOWLEDGMENT

First and foremost I wish to convey my sincere gratitude to my supervisor Prof. K’obonyo and the defense team for their guidance, support and encouragement during the course of this project. Your suggestions and corrections gave my project a course that led to it taking a professional direction.

I am truly grateful to all my lecturers in the department for being there during my course work and when I needed clarification on various issues concerning the Project. Sincere thanks to friends and colleagues for their support, thank you for sharing and caring. It wouldn’t have been any easier without the class discussions, e-mails and phone calls made during the course work, I am grateful to all of you.
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ABSTRACT

The project report covered factors influencing high staff turnover in commercial banks in Kenya; a case of CBK. Research objectives were to establish factors influencing labour turnover in commercial banks in Kenya. Descriptive research design was used with a sample size of 44 derived from a target population of 44. Functional departments were the strata and simple random method applied to distribute the questionnaires. Split-half reliability test was used to estimate reliability and content validity tested through expert’s opinion and referencing on past questionnaires. Interview Guide and desktop information provided key information used in summarizing the conclusions. Data collected was exported to SPSS version 20 for editing, coding to facilitate informative and relevant computation. The study found out that during the time of study most of the respondents agreed that training provided by commercial banks to prevent labour turnover was effective. The study also found out that the respondents strongly agreed that organization provides opportunities for employees to progress in development of their careers and this prevents them from quitting. In addition, the study found out that the respondents receive or ever received increased basic pay from their respective banks as a form of rewarding them. The study also found out that that the respondents valued the rewards that they got. The study further found out that indicated that the rewarding system affected the employee turnover. The study found out that organization offer monetary rewards to employees whose performance is high to reduce the number of employees who quit the organization. The study concluded that the relationship between the employer and the employee in the bank has kept rate of labour turnover at low level. The study also found out that the rewarding system affected the employee turnover. The findings show that, the employer rules and regulations affect labour turnover. The study further found out that open communication in the organization has enhanced employee relations, which has reduced rate of labour turnover. The study concluded that the commercial banks staffs receive increased basic pay from their respective banks as a form of rewarding them which they highly value. The study also concluded that organizations offer monetary rewards to employees whose performance is high to reduce the number of employees who quit the organization. The study recommended that the banking and financial sector should increase intrinsic factors by initiation proper working environment such that there exists job satisfaction, ability to achieve targets and exercise control during execution of duties. These will increase intrinsic factors and reduce staff turnover. The study also recommended that the banks’ retention policies and strategies should adequately respond to the employees needs and other necessary implementations after market intelligence should be encouraged so that employees are motivated to facilitate their effectiveness and retention.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Labour Turnover is termed as the rate at which workers move in to and out of employment usually expressed as a percentage based on the number of employees leaving an organization (Armstrong, 2006). The analysis of the number of people leaving the organization (Labour turnover or wastage) provides data for use in supply forecasting, so that calculations can be made on the number of people lost who may have to be replaced. Many factors contribute to labour turnover including employee age, tenure with the organization, relative amount of pay, overall job satisfaction, characteristics of the task, employee perceptions of the work environment, better prospects (career move), more security, more opportunity to develop skills, better working conditions, poor relationship with manager/team leader, poor relationship with colleagues, bullying or harassment, personal e.g. pregnancy, illness, moving away from an area (Armstrong 2007). Organizations should deal with labour turnover since current explanations of employee turnover fail to offer either predictive or explanatory power. Despite an enormous literature on turnover in organizations, there is yet no universally accepted account or framework for why people choose to leave. This prohibits understanding the phenomenon after the event, yet neither is there an accepted means of assessing the likelihood of an individual's deciding to leave in the future, which prohibits prediction of turnover.

This study was guided by three theories, which are expectancy theory, Theory X and Theory Y and Hierarchy of Needs Theory. The motivation based on expectancy theory focuses on a person’s beliefs about the relationship among effort, performance and
reward for doing a job (Ruhland, 2001). Theory X puts forth the premise that employees are inherently averse to work and must constantly be motivated from external sources. Theory Y puts forth the idea that employees can be internally motivated at work, finding fulfillment in striving to obtain goals that use their skills and experience. Abraham Maslow's hierarchy of needs theory places employees' needs into five progressive categories, beginning with basic physical needs and progressing up to needs for personal growth and career development. Maslow claims that employers must meet each level of employees' needs for employees to truly commit themselves to workplace goals.

Therefore these theories have been powerful in explaining the relationship between performance expectations and outcome and also how job performance through job satisfaction can influence labour turnover intentions but this cannot be generalized. Performance occurs in a given context and to particular situations and its impact on turnover depends on the personal styles and perceptions of work environment. The banking industry in Kenya is governed by the companies Act, the banking Act, the commercial bank of Kenya Act, and the various prudential guidelines issued by the central bank of Kenya (CBK). The industry has been expanding branch networking amid the introduction of branchless banking system. The annual reports of CBK clearly indicate that, branch network has been slowly expanding since 2002 (Central Bank of Kenya, 2010).

The banking industry like many other industries is adjusting to the multiple changes in the marketplace over the past two decades. At the beginning of the 21st century, the biggest banks in the industrial world have become complex financial organizations that offer a wide variety of services to international markets and control large sums of cash
and assets. Supported by the latest technology, banks are working to identify new business niches, to develop customized services, to implement innovative strategies and to capture new market opportunities. Controlling employee turnover is difficult. Many control systems only take effect after absenteeism has occurred and are rarely effective in preventing it. Armstrong (2006) noted that one of the most costly outcomes in addition to absenteeism is employee turnover costs. Managers have tried to prevent the employee’s turnover by identifying those workers who have exhibited such behaviour in the past and either refuse to hire them or put in place strategies to ensure that high performing employees stay with the organization.

1.1.1. Labour Turnover

Labour turnover is the rate at which people leave an organization, sometimes known as ‘employee turnover, ‘wastage’ or ‘attrition’ (Hedwiga 2011). Marisoosay (2009) argued that in human resources context it refers to the relative rate at which an organization gain and losses its personnel. Kazi and Zedah, (2011) define labour turnover is the rotation of workers around the marketplace between firm, jobs and occupations and between the states of employment and unemployment. For the purpose of this study labour turnover can be defined as the percentage of the amount of organizational members missing throughout the period being considered divided by the average number of general population in that organization during the period. Labour turnover within an organization can be voluntary or involuntary.

Kazi and Zedah (2011) observed that involuntary turnover is considered to depend on factors that are outside of management control. Marti et al (2009) name these as uncontrollable factors and mentioned perceived alternative, employee opportunity and
job-hopping as examples. Employee deaths, chaos in the country, in fulfillment of essential needs of life and health matters has been declared by Kazi and Zedah (2011) as examples of involuntary turnover. On the other hand, voluntary turnover dependent on employee him/her self and can be experienced by an employee to realize individual achievement comparable to job. Marti et al (2009) name these controllable factors and mentioned satisfaction with pay, nature of work and supervision, organizational commitment, distributive justice and procedural justice are examples of voluntary turnovers. Stovel and Bontis (2002) comments that involuntary turnover refers to the discharge of employees, whereas voluntary turnover take place when employees leave the job.

According to Jha (2014), labour turnover has always been a matter of concern for all type organizations. Huge degree of labour turnover may be detrimental to both the organization as well as the employees. Turnover has an impact over the organization’s costs relating to recruitment and selection, personnel process and induction, training of new personnel and above all, loss of knowledge gained by the employee while on job. Additionally, it results in understaffing which in turn lead to decreased effectiveness and productivity of the remaining staff. Turnover may have a negative impact on the employee as well. The individual may lose non-vested benefits and may be a victim of the “grass looks greener” phenomenon. Most often, turnover intention is consequential to actual quitting behavior (Peters and Waterman, 1982). Hence, it is imperative to understand the determinants of turnover intentions to arrest the outflow of key personnel and retain competitive edge.
1.1.2. Factors influencing Turnover

Employee turnover is expensive from the view of the employer/organization. The reason a lot of attention has been paid to the issue of turnover is because it has significant effects on organizations. There are several reasons why people quit from one organization to another or why people leave. Typically, a combination of factors influences employees' decisions to stay or leave their current job. These factors can be divided into psychological, economic, demographic and organizational factors influencing turnover. For the current study, organizational factors will be considered since it is dealing specifically with profit making organization and not organization in general. The organizational factors considered in this case include training and development, reward management and employee relations.

Training is of growing importance to companies seeking to gain an advantage among competitors. There is significant debate among professionals and scholars as to the affect that training has on both employee and organizational goals. One school of thought argues that training leads to an increase in turnover while the other states that training is a tool to that can lead to higher levels of employee retention (Colarelli & Montei, 1996; Becker, 1993). Regardless of where one falls within this debate, most professionals agree that employee training is a complex human resource practice that can significantly impact a company’s success. Training can have a considerable influence on company finances, as there are several potential training costs that firms may incur.

One type of training related cost is direct cost. This may include instructor salary, materials, and follow-up supervision. A second type of training related cost is indirect cost. These costs are related to worker output and productivity during and upon
completion of the training (Becker, 1993). In addition to the direct and indirect costs described above, turnover plays a significant role in the amount of training investment companies will assume (Peters and Waterman, 1982). The greater the chance of employee turnover, the less likely a company will invest in it. A company loses all of its investment should an employee terminate the relationship upon completion of training. As a result, employers have very important decisions to make in regards to the level of investment they are willing make in training. Training duration, specificity, relevance, payment options, and training location are all things that employers must consider while developing a training program.

Shoaib, Noor, Tirmizi and Bashir (2009), recognize that employee rewards are very important since they have lasting impression on the employee and continue to substantiate the employees’ perception of their value to the organizations they work with. Moreover, they contend that employees judge the quality of their job in the intrinsic satisfaction and the personal reward they earn from their work. Using intrinsic rewards to increase employee commitment and retention is achievable in all organizations. Sutherland (2004) demonstrates that reward is the basic element, which indicates how much employees gain by dedicating their time and effort towards the achievements of company objectives; therefore, employers have the responsibility to designing an attractive reward package to attract and retain valuable employees. Shoaib et al. (2009), also attest that it is important for employers to know the value employees place in their reward systems and to formulate strategies that address equitable and adequate reward for their employees.
When appropriate reward strategies are understood and embedded in the organization’s culture, productive employees remain (Shechtman, 2008). A valued employee is more likely to stay in employment than an unvalued employee is. Sutherland (2004), argues that reward systems ought to be a significant sphere of innovation for employers. The increasing diversity of the workforce, she states, suggests the need for more creative approaches to tailoring the right rewards to the right people. She concluded that recognition and reward are part of a more comprehensive effort at keeping workers or adopting good workplace practices, which can contribute to increased retention. Recognition programs are an important component of an employee retention plan. The importance of these kinds of program is rooted in theories of positive reinforcement. By saying ‘thank you’ to employees for a job well done or a ‘pat on a shoulder’ to show appreciation, an organization is reinforcing ideal behavior and encouraging more of the actions that will make it successful.

Employee Relations involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. Essentially, Employee Relations is concerned with preventing and resolving problems involving individuals, which arise out of or affect work situations (Hedwiga, 2011). Employee Relations provides direction and oversight for a variety of non-union staff employment matters, including leaves of absence, staff performance and disciplinary issues, staff employee grievances including formal complaints, investigation of harassment and other workplace misconduct allegations, all anticipated terminations, and unemployment compensation claims. Employee Relations also provides proactive
assistance to both employees and supervisors on the interpretation and implementation of policies, and procedures.

Employee relations can be seen primarily as a skill-set or a philosophy, rather than as a management function or well-defined area of activity. Despite well-publicized instances of industrial action, the emphasis on employee relations continues to shift from 'collective' institutions, such as trade unions and collective bargaining, to the relationship with individual employees (Marisoosay, 2009). The ideas of 'employee voice' and the 'psychological contract' have been accepted by employers and reflected in their employee relations policies and aspirations. Employee relations skills and competencies are still seen by employers as critical to achieving performance benefits Human Resource a focus on employee involvement, commitment and engagement and strategic in terms of managing business risk: both the downside risk of non-compliance with an expanded body of employment law, and the upside risk of failing to deliver maximum business performance

1.1.3. Commercial Banks in Kenya

Currently, there are forty-four licensed commercial banks in Kenya (CBK, 2014) offering generic products. They are in the business of accepting money from members of the public on current account and payment on acceptance of cheque and employing of money held on deposit or on current account or any part of the money by lending, investment or any other manner for the account and at the risk of the person so employing the monies. Each commercial bank needs to present itself in a unique way to the market so as to have an edge (Central Bank of Kenya, 2014). For the commercial banks to present themselves
uniquely, they need to identify their target market and find out the mix of factors, which will give them an edge and ensure their survival within the industry.

Beside commercial banks in Kenya offering various products, services and solutions, there are other companies that are offering similar products thereby posing stiff completion in the financial sector. Telecommunication industry like Safaricom-Mpesa, Airtel’s and Orange money transfer services have for the last decade years encroached commercial Banks deposit pie by offering real time and world class services (Central Bank of Kenya, 2014). Other companies in the same pie include Sacco’s and licensed Deposit Taking Micro Finance (DTMF).

Commercial banks are financial intermediaries that serve as financial resource mobilization points in the global economy. They channel funds needed by business and household sectors from surplus spending to deficit spending units in the economy (Central Bank of Kenya, 2015). A well-developed efficient banking sector is an important prerequisite for saving and investment decisions needed for rapid economic growth. A well-functioning banking sector provides a system by which a country’s most profitable and efficient projects are systematically and continuously funded. The role of banks in an economy is paramount because they execute monetary policy and provide means for facilitating payment for goods and services in the domestic and international trade (CBK, 2015).

Commercial banks are custodians of depositor’s funds and operate by receiving cash deposits from the general public and loaning them out to the needy at statutorily allowed interest rates. Loans are based on the credit policy of the bank that is tightly coupled with
the central bank interest rate policy. These in effect determine the level of financial risk in a particular bank (Central Bank of Kenya, 2014). Commercial bank in Kenya comprises 90% of the outstanding loan assets portfolio. While Kenya’s mortgage market is growing, the industry is dominated by the commercial banks indicating barriers to entry or high risk for medium and smaller banks. However, the growth rates indicate that the small sized banks have the fastest growth rate of 38% on average, followed by medium banks which are growing at 25% on average with large banks closely following at 24% on average (CBK, 2014).

1.2. Research problem

Employees are the main pillars and the most important factor in driving the success of the organization (Barako, D., & Brown, 2008). They are the people who have the function and ability to organize and manage the outcome of one certain assignment. In the banking industry, employees are expected to demonstrate a very high performance in order to achieve the organization’s mission, goal and objective each year which highly depend on the sales volume of their products and services (Young 2006). Compared to other industry, banking industry is well known with high workload and stringent time frame for their employees to adhere with, which can be recognized as major contributions to the increase of turnover rate (Bramback, 2008).

Wolmesjo (2007) suggests that the companies should have tried to predict the future recruitment needs and hired people when the economic cycle was in a recession. The ones who hire during the economic upswing are in a dangerous situation. Since the mid-1990s, scholarly research investigations have been focusing not only on determining why employees leave organizations but also concentrating on those factors positively
influencing employees to stay, as well as the benefits associated with retaining tenured workers. Armstrong (2005) contended that retention strategies should be based on an understanding of the factors that affect them.

Armstrong (2005), argues that the specific factors that affect employee retention are company image; recruitment, selection and deployment; leadership, learning opportunities; performance recognition and rewards. Employee management and strategy implementation in the commercial banks has increased competition for skilled and trained work force. Organization have reconsidered employee management with keen interests not only for their operations and business but for succession .Employee are valuable, difficult to nature therefore organizations must attract, select and retain employee as a competitive tool.

Labour turnover contradicts the benefits derived by organizations when they spend scarce resources attracting, selecting, socializing, training and developing employees (Chepkony, 2012) when these staff cannot be retained. It is important that the commercial banks to adequately motivates, retains skilled and experienced workforce (CBK, 2010) for strategy implementation. Commercial banks have witnessed considerable human capital flight despite the growth in profitability for the past five years. The survey report released on business daily noted increased competition for high-end clients, qualified, trained and experienced staff to implement bank’s strategies (Chepkony, 2012).

However, a mismatch in compensation and disparity in disposable incomes rewards, bonuses and allowances for employees is unrepresentative of the super abnormal profits reported. Nairobi managers are finding it hard to stick with top talents employees in the
face of stiff competition for human resources (Chepkony, 2012). Exit interviews documented cemented this argument as majority of employees leaving the organization mentioned inequitable reward management system, poor employee-employer relations, non-commensurate employment package and unclear career path as major reasons for the human capital flight. The banking industry in Kenya is growing in customer base, employee numbers, financial products, business sophistication and being a player in the global financial market (CBK, 2008). It is becoming important to examine the human capital issues including reasons that affect human resource performance in banking institutions.

Employee commitment is important and the causes and consequences of turnover must be evaluated to uphold organizational stability and sustain economic growth. The deficiencies in the human competencies have been noted by the Central Bank of Kenya, the organization that regulates the banks and a potential problem of talent management because of increased employee mobility predicted (CBK, 2008). Barako and Brown (2008) noted that there is an absence of disclosure of the human capital productivity and turnover in reporting organizational performance in the Kenyan banking industry. Reviews of relevant literature confirm that this important aspect of human resource management and development is ignored as there are few publications on this topic on record (Barako & Brown, 2008). It is therefore necessary for this study to be carried in the banking industry particularly commercial banks in Kenya.

Studies in Kenya such as Abuti (2006) have focused on assessing why employees leave the companies they work for. Taplin (2007) on the importance of management style in labour retention. The study examines the role that management style plays in retaining
workers in a high labour turnover industry. Amamo (2005) carried out a survey of factors that attract and retain radio presenters in Kenya and observed that basic pay ranked highest among factors that employees would consider while moving to another organization. Kinyanjui (2008) did a study on employee turnover to show that salaries are not the main drivers of employee turnover. Gachanja (2004) carried out a study on workers motivation and labour turnover among sales agents which was a case study of British American insurance company. Njoroge (2007) did a survey of factors that influence employee retention in manufacturing firms in Nairobi. The study focused on employees who had been retained by their employer for more than 10 years.

Very little, if any has been done on factors influencing labour turnover in commercial banks in Kenya. This forms a research gap and since this is important, especially for the banking industry experiencing high labour turnover rates, it is important to carry out this study to determine the factors influencing labour turnover in commercial banks in Kenya. To achieve this objective the study will be guided by the following research question: what are the factors influencing labour turnover in commercial banks in Kenya?

1.3. Research Objective

The objective of this study was to establish factors influencing labour turnover in commercial banks in Kenya

1.4. Value of the study

Policy

The study may be used in policy formulation and decision making at different levels. The result of this research project will help the banking industry to revitalize their existing
retention program to be more meaningful to the employees. The result will indicate which factor that more significant towards the turnover intention, that eventually be used by the organization to zoom into.

Practice

This study will help the researcher to understand the reason behind the high turnover trend that occurred in banking industry especially in commercial banks. Thru the designated questionnaire, it will also provide the insight information of the employee’s perspective on turnover intention as well. This valuable information will then, help and support the banking industry to revitalize their retention program accordingly.

Theory

This research project will provide the insight on the turnover intention by commercial bank’s employees. The result of this research project will help to provide valuable insight information of turnover intention to the current turnover theories that hope to be able to support the banking industry in streamline their retention program for sustaining their employees and business in the market. The research project is expected to be as a reference for future researcher in employee turnover’s project management.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review, specifically the literature review focuses on the variables of the study, and the discussion includes labour turnover influencing factors, theories, market reviews, and determinant factors. The review of literature focuses on labour or employee turnover.

2.2 Theoretical Foundation

Turnover is described as the movement of employees out of the organization or any permanent departure beyond organizational boundaries. This study is based on expectancy theory of motivation.

2.2.1 Expectancy Theory

The expectancy theory puts forth the premise that employees will put forth an amount of work and commitment equal to what they expect to receive in return. Commission compensation structures leverage this theory by allowing employees to earn as much money as they desire, completely based on their job performance (Ingersoll, 2001). Making sure that employees always expect future pay raises and potential job promotions can keep them working hard to achieve personal goals. According to Gilbert (1978), if employees expect little compensation and no growth opportunities in return for their work, they may put forth only minimal effort until they eventually look to a new employer for new opportunities.
Expectancy is the probability that a particular action will lead to a required outcome. If the employee has a particular goal, some behavior has to be produced to accomplish that goal. The employee has to weigh the likelihood of various behaviors that will accomplish the desired goals and select the most successful behavior (Vroom, 2009). Thus the employee’s motivation according to Vroom may be augmented by changing the perception or by boosting the expectancy level through better communication and augmenting the actual reward that will result. This theory clarifies the relationship between the employee and the organizational goals and recognizes the differences between employees in producing work motivation which impact on turnover.

2.2.2. Theory X and Theory Y

Theory X and Theory Y represent two opposing ends of the motivation spectrum. Theory X puts forth the premise that employees are inherently averse to work and must constantly be motivated from external sources. Theory Y puts forth the idea that employees can be internally motivated at work, finding fulfillment in striving to obtain goals that use their skills and experience (Ruhland, 2001). Neither Theory X nor Theory Y is inherently better than the other. Rather, the appropriate theory depends on the work setting and specific employees you are dealing with. Applying the wrong theory in your workplace can disappoint, confuse and aggravate employees, leading to increased employee turnover (Abelson, M.A., & Baysinger, B.D. 1984). A group of employees that sees self-motivation and autonomous decision-making as important, for example, is not likely to stick around in a work setting that includes strict supervision at all times.
2.2.3. Hierarchy of Needs Theory

Abraham Maslow’s hierarchy (1943) of needs theory places employees’ needs into five progressive categories, beginning with basic physical needs and progressing up to needs for personal growth and career development. Maslow claims that employers must meet each level of employees' needs for employees to truly commit themselves to workplace goals. Failing to meet employees needs at any level in the hierarchy can create a lack of fulfillment in employees' professional lives, causing them to eventually try to fulfill these needs on their own, possibly by finding a new employer who provides better opportunities.

Needs change over time, and each need generally has to be fulfilled on an ongoing basis. However, a satisfied need will not be manifested. That is, a person who has fulfilled his or her need for self-esteem will not act in a way to draw attention to him or herself. Hence, such a person is free to pursue higher teamwork goals (Maslow, A.H. 1970).

Maslow’s widely known hierarchy of needs theory argues that our needs form a five level hierarchy, ranging from physiological to self-actualization needs. Maslow’s hierarchy of needs comprises physiological needs, safety needs, belongingness, esteem and self-actualization.

Maslow’s theory has not received a great deal of support with respect to specific notion it proposes (Basset-Jones, N. & Lloyd, G.C. 2005). To them this model is theorized to be especially effective in describing the behaviour of individuals who are high in growth need strength because employees who are different to the idea of increasing their growth will not realize any physiological reaction to their jobs. Antomioni, D. (1999), in their
survey carried out among a cross-section of the working population in Los Angeles, posited “background factors, altitudes and aspirations affects worker’s needs, expectations and situation assessment”. According to Gordon, G. (1965), there are generally three major criticisms directed to the need theory and other content theories of motivation. There is scant empirical data to support their conclusions, they assume employees are basically alike, and they are not theories of motivation at all, but rather theories of job satisfaction.

2.3 Factors influencing Labor Turnover

There are several reasons why people quit from one organization to another or why people leave. Typically, a combination of factors influences employees' decisions to stay or leave their current job. These factors can be divided into psychological, economic and demographic factors influencing turnover. Psychological factors refer to the employee’s mental process and behavior, such as expectations, job satisfaction, organizational commitment and job involvement or affectivity. Economists view the employee’s decision, whether he wants to leave or stay, as a result of a rational cost-benefit assessment (Peters and Waterman, 1982). Economic determinants include pay, training and company size. Demographic variables are also known as personal characteristics and are widely used in turnover research. Despite a wealth of research, there appear to be few characteristics that meaningfully predict turnover, the exceptions being age and tenure, which were examined to have a direct impact on intention to leave. Tenure is negatively related to turnover i.e. the longer a person is with an organization; the more likely they are to stay. The longer that an employer and employee benefit from their relationship, the more costly the ending of it will be. This is why tenure is negatively associated with
turnover. In particular, the benefits of long public sector tenure in terms of wages, job security, and pension rights will decrease intention to leave (Griffeth et al. 2000). For the purpose of the current study the study will consider training, reward management and employee relations as the factors affecting turnover.

2.3.1. Relationship between Training and Development and Labour Turnover.

Training deals with providing opportunities for people to progress and develop their careers with an objective of achieving higher performance for both the employee and the organization (Armstrong, 2006). There are Human Resource stages of career progression-expanding, establishing and maturing. People move Human Resource their careers upwards when promoted or by enriching their roles to take on greater responsibilities or by making use of their skills and abilities. Training of the employees should be taken by the management it really prepare workers towards higher positions and offers skills to performs duties well. A supervisor’s Human Resource unit with help from specific employees who show a particular strength in the skills taught should lead these (Peters and Waterman, 1982). The first step in creating a strategy supportive system of rewards and incentives is to define jobs and assignments in terms of results to be accomplished.

Roke (1987) said that the perception of training and development of employees must change so that it is no longer viewed as a cost but is regarded as an investment to be evaluated alongside investment in capital equipment. He further says that training outcome is generally expected to improve performance and training can cut cost by: reducing turnover, absenteeism, tardiness, job accidents and safety problems, reducing retaining expenses, cost of hiring new employees, reducing customers’ complaints and
lost business opportunities (Abassism et al, 2000). There is evidence that within high performance work systems, training will be aligned and integrated with actual work, employees need training in group dynamics and interpersonal skills.

Management of the staff training and development process requires a balance between the aspirations of the individual and the needs of the organization (Olagunja, 1977). A significant way of doing this is for managers to discuss career development and training with their staff as part of their annual Individual Performance Review. This process can help to determine the interests and needs of employees, to highlight any staff concerns about work, and to direct staff to appropriate training opportunities. The positive aspect about staff training is that all members of staff can be involved, regardless of their position. This is essential for the success of the organisation and the effectiveness of the library service (Olagunja, 1977). For example, the conversion from a manual to a computerized system may seem relatively straightforward for someone who has just graduated from university with recent information and communications technology skills. However, a more experienced member of staff may not find this as easy. Training could thus bring staff together, enabling peers to help each other in their progress towards a common goal.

Boella (1996) affirms that one of the features of the working life today is that whatever education and training is obtained at the start, it will almost become redundant or obsolete during the same working life. The need to train, to acquire new knowledge, new skills and new attitudes has become an everyday aspect of each individual’s working life, and in some cases, may merely be an updating process. Pitt & Ramaseshan (1995) comment that training is not seen as a problem—with a few exceptions, there isn’t any. A
number of surveys suggest that the training offered in organizations is restricted to simple on-the-job techniques. Teare & Boer (1996) cautions that re-training of an older workforce displaced from other industries and the continuing development of existing employees are matters which should not be ignored.

2.3.2. Reward Management and Labour Turnover

Organization reward system that influences turnover involves compensation and non-monetary rewards, further under monetary compensation, there are direct compensation and indirect compensation. Organization with a high pay level may attract and retain a qualified work force and reduce training or recruiting costs as higher labour rates may lead to lower labour costs due to employee higher quality and/or quantity of performance (Pfeffer, 2005). Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the organization’s mission. A basic principle of effective management is that all behavior is controlled by its consequences. Those consequences can and should be both formal and informal and both positive and negative (Bramback, 1988).

The conventional view is that a manager’s plan for strategy implementation should incorporate more positive than negative motivational elements because when cooperation is positively enlisted and rewarded, people tend to respond with more enthusiasm and effort (Sampson, 1973). However, how much of which incentives to use depends on how hard the strategy implementation task will be. A manager has to do more than just talk to everyone about how important strategy implementation is to the organization’s future. Talk, no matter how inspiring, seldom commands peoples best
efforts for long. To get employees sustained, energetic commitment, management always has to be resourceful in designing and using incentives. The more a manager understands what motivates subordinates, and the more he relies on motivation incentives as a tool for implementing strategy, the greater will be the employees’ commitment to carrying out the plans.

2.3.3. Employee Relations and Labour Turnover

Maintenance of employee/employer relationships that contribute to satisfactory productivity, motivate employees and ensure healthy employee morale. Among many ways to successfully manage employee relations, performance management and open communication are key. Employee relations’ is a common title for the industrial relations function within personnel management and is sometimes used as an alternative label for the academic field of industrial relations. The term underlines the fact that industrial relations is not confined to the study of trade unions but embraces the broad pattern of employee management, including systems of direct communication and employee involvement that target the individual worker” (Smith, G. 2007).

Relationship management entails aspects that satisfactorily enhance productivity, motivation, human relations that are value addition and conducive for employees (Cole, 1991). An employee relation is a common title for the industrial relations function within personnel management. Human Resource Management practices still assert that human capital remains the most sensitive resource for any organizational survival (Bernardin, 2003). The term underlines the fact that industrial relations is not confined to the study of trade unions but embraces the broad pattern of employee management, including systems
of direct communication, leadership styles and employee involvement in decision making (Crowling, 2009).

2.4 Empirical Review

Some researchers have established a relationship between satisfaction, organisational commitment and turnover. Lum et al’s (1998) study of paediatric nurses suggested that organizational commitment has the strongest and most direct impact on the intention to quit whereas job satisfaction has only an indirect influence. They suggested that satisfaction indirectly influences turnover.

Elangovan (2001) noted that the notion of job satisfaction and organisational commitment being causally related has not been incorporated in most turnover models. His study indicated there were strong causal links between stress and satisfaction (higher stress leads to lower satisfaction) and between satisfaction and commitment (lower satisfaction leads to lower commitment). He further noted a reciprocal relationship between commitment and turnover intentions (lower commitment leads to greater intentions to quit, which in turn further lowers commitment).

Taplin et al (2003) conducted a large-scale turnover study in the British clothing industry. Two factors emerged as the most significant reasons for employees leaving the industry. One was the low level of wage rates in the clothing industry relative to other manufacturing sectors. The other reason referred to industry image with staff leaving because of fears relating to the long-term future of clothing manufacture in the UK.

Martin (2003) detected a complex relationship between turnover and training. He suggested that establishments that enhance the skills of existing workers have lower
turnover rates. However, turnover is higher when workers are trained to be multi-skilled, which may imply that this type of training enhances the prospects of workers to find work elsewhere. The literature on the link between lower turnover and training has found that off-the-job training is associated with higher turnover presumably because this type of training imparts more general skills (Martin, 2003).

2.5. Summary

The chapter has addressed the theories underlying the topic under the study and also the factors influencing the labour turnover. Various empirical review have addressed the various relationships e.g. a relationship between satisfaction, organizational commitment and turnover. They have suggested that satisfaction indirectly influences turnover. Although the researchers have not addressed the factors fully this study tend to fill this gap by establish factors influencing labour turnover in commercial banks in Kenya.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a framework of the methodology that used in the study. It gives an insight into the research design, target population, sampling size and sampling technique, data collection methods, data analysis and presentation.

3.2 Research Design

The study used a descriptive survey. This method presents facts concerning variables investigated as they exist at the time of study as well as trends that are emerging. The descriptive survey method was preferred because it ensured complete description of the situation, making sure that there was minimum bias in the collection of data (Kothari, 2008). This method was important to the study, as the researcher collected data from all the commercial banks without favoring any one of them. This ensured that the researchers obtained data that he/she was interested in.

3.3 Target Population

Mugenda & Mugenda (2003), defined a population as an entire group of individuals, events or objects with some common observable characteristics. A research population relate to the total universe of units from which the sample was selected. The population of this study included all the 44 registered commercial banks in Kenya. The study was a census survey (CBK, 2014).
3.4 Data Collection

The study collected primary data. Primary Data was collected through the administration of questionnaires to the respondents. HR managers or senior officer in charge of the HR function in commercial banks filled the questionnaires. The questionnaire consisted of two sections targeting the demographic and the objectives of the study respectively. Data was collected using a structured survey questionnaire addressing each factor influencing labour turnover. The factors were identified from the literature review. The drop and pick later method was used. This method enabled the researcher to collect data that was difficult to get.

3.5 Data Analysis and Presentation

The process of data analysis involved several stages. Completed questionnaires were edited for completeness and consistency. The data was coded and checked for any errors and omissions. Descriptive statistics such as mean, standard deviations, percentages and frequency distributions was used to generate meaning from the data in relation to the research objective. Data was then presented in form of proportions, tables and graphs.

3.6. Chapter summary

The chapter has addressed the methodology that was applied in the conduction of the study. It has addressed the research design, target population, sampling size and sampling technique, data collection methods, data analysis and presentation. The questionnaires were administered according to the sampled population. Also the data collected was analyzed and presented in form of tables and figures.
CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, findings and discussion. The researcher targeted 44 banks in Kenya. The questionnaires were sent to 44 staff of the banks out of which 40 were sent back fully completed making a response rate of 96%. Mugenda and Mugenda (2003) suggested that for generalization a response rate of 50% is adequate for analysis and reporting, 60% is good and a response rate of 70% and over is excellent. This response rate was accredited to the data collection procedure, where the researcher in person administered questionnaires, reminded the respondents to fill in the questionnaires, and picked them later on.

4.2 Demographic Information

The study sought to ascertain the background information of the respondents involved in the study that included; gender, Age category, the working experience in the bank, and level of education. The background information points at the respondents’ suitability in answering the questions.

4.2.1. Respondents’ Gender

The respondents were requested to indicate their gender. The findings are as presented in figure 4.1 below.
Source: Research Findings

From the findings in figure 4.1 majority (60%) of the respondents were male; while 40% were female. This shows that most of the respondents at the time of the study were males.

4.2.2. Age category

The study required the respondents to indicate their age. The findings are presented in the figure below:

Figure 4.1. Age composition of the respondents
Source: Research Findings
Based on the findings, in 4.2 most (36%) of the respondents had ages ranging from 40-44 years, 30% indicated 35-40 years, 17% indicated 45 years and above, 15% indicated 30-34 years while 2% indicated 30 years and below. This depicts that most of the respondents at the time of the study had age ranges between 40 and 44 years.

4.2.3. Working experience

The study asked the respondents to indicate their working experience in the commercial banks of Kenya. The findings are presented in the figure below:

Figure 4.2. Distribution of the respondents by length of services in the organisation

Source: Research Findings
Based on the finding in figure 4.3 most (35%) of the respondents had working experience of 6-10 years, 25% had working experience of 11-15 years, 20% had working experience of 5 years and below, 15% have experience of 16-20 years and finally, 5% had a
working experience of 21 years and above. This depicts that most of the respondents have working experience in the commercial banks for a period between 6-10 years.

4.2.4. Level of education

The study requested the respondents to indicate their level of education. The findings are presented in the figure below:

Figure 4.3 Composition of Respondents by Education

Source: Research Findings

From the findings in figure 4.4 most (45%) of the respondents had a postgraduate degree, 30% of them had a Bachelor’s degree, 15% had a Postgraduate diploma and the rest 10% had a Diploma/Certificate. This shows that most of the respondents had a postgraduate degree.
4.3. Employee Training

4.3.1. The Link between Training and Employee Turnover

The respondents were requested to indicate the extent of their agreement with the employee training provided by commercial banks to prevent labour turnover. The results were as presented in figure 4.5

Figure 4.4. The Link between Training and Employee Turnover

Source: Research Findings

From the findings in figure 4.5, most (45%) of the respondents moderately agreed that training provided by commercial banks to prevent labour turnover. 35% of the respondents strongly agreed that agreed on training provided by commercial banks to prevent labour turnover. While 15% of the respondents neither agreed nor disagreed that training provided by commercial banks to prevent labour turnover. This shows that most of the respondents agreed that training provided by commercial banks prevents labour turnover degree.
4.3.2 Importance Of Training To Employees And The Banks

The respondents were requested to rate the importance of training to employees and the banks. The results are presented in table 4.1

**Table 4.1. Importance Of Training To Employees And The Banks**

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization training should match individual capacity and aspiration and the needs of the organization</td>
<td>3.54</td>
<td>0.282</td>
</tr>
<tr>
<td>Organization transformation from manual to computerized system to offer new skills to the employees</td>
<td>3.76</td>
<td>0.312</td>
</tr>
<tr>
<td>Organization has established a supervisor human resource unit to enable employees show their strength in skills which prevents them from quitting</td>
<td>3.99</td>
<td>0.186</td>
</tr>
<tr>
<td>Organization promotes employees who advance their skills by enriching their roles to a greater responsibility</td>
<td>4.02</td>
<td>0.126</td>
</tr>
<tr>
<td>Organization provides opportunities for employees to progress in development of their careers and this prevents them from quitting</td>
<td>4.19</td>
<td>0.235</td>
</tr>
</tbody>
</table>

**Source: Research Findings**

From the findings table 4.1, the respondents strongly agreed that organization provides opportunities for employees to progress in development of their careers and this prevents them from quitting (mean=4.19). Additionally, the respondents moderately agreed that organization promotes employees who advance their skills by enriching their roles to a
greater responsibility (mean=4.02). Organization has established a supervisor human resource unit to enable employees to show their strength in skills which prevents them from quitting (mean=3.99). On the other hand, organization transformation from manual to computerized system to offer new skills to the employees (mean=3.76). Organization training should match individual capacity and aspiration and the needs of the organization (mean=3.54). This implies that the respondents strongly agreed that organization provides opportunities for employees to progress in development of their careers and this prevents them from quitting.

4.4. Reward Management

4.4.1. Level of Rewards provided Employees

The respondents were requested to indicate the rewards that they receive or ever received from their respective banks. The findings were presented in the figure below:

**Figure 4.6. Extent of Availability of Various Rewards in the Banks**

<table>
<thead>
<tr>
<th>Types of Rewards</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased basic pay</td>
<td>25%</td>
</tr>
<tr>
<td>Lump sum</td>
<td>10%</td>
</tr>
<tr>
<td>Promotion</td>
<td>15%</td>
</tr>
<tr>
<td>Annual holidays</td>
<td>20%</td>
</tr>
<tr>
<td>Sick leave insurance cover</td>
<td>20%</td>
</tr>
<tr>
<td>Recognition and autonomy</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Source: Research Findings**
The findings in figure 4.6 show that majorities (25%) of the respondents receive or ever received increased basic pay from their respective banks as a form of reward to them. On the other hand, the respondents indicated that they receive or they have received rewards such as sick leave insurance cover, annual holidays, each representing 20% of the total population respectively. Others who indicated that they received promotion were 15%. Moreover, the respondents indicated that they received lump sum and recognition and autonomy as a form of reward form their respective commercial banks. The respondents indicated that they receive or ever received increased basic pay, sick leave insurance cover, annual holidays, and promotion from their respective banks as a form of rewarding them. This depicts that the respondents receive increased basic pay from their respective banks as a form of rewarding them.

4.4.2. The Value of the Rewards
The respondents were asked whether they value the rewards, they get from their banks.

The findings were shown in the figure 4.7 below:

**Figure 4.7 Distribution of respondents by perceived value of rewards**

![Figure 4.7 Distribution of respondents by perceived value of rewards](image)

**Source: Research Findings**
The results indicated that 75% valued the rewards that they got while 25% did not value the rewards that they got. The findings depict that they valued the rewards that they received from their respective commercial banks that they worked for.

4.4.3. The Influence Of Rewards On Labour Turnover In The Bank

Majority of the respondents indicated that rewards reduced the rate of turnover of employees in their banks.

4.4.4 Effect Reward System on Employee Turnover

The respondents were asked how they would rate the reward system as affecting employee turnover. The findings were shown in the figure below:

Figure 4.8. Effect of Reward System on Employee Turnover

![Bar Chart Showing Effect of Reward System on Employee Turnover]

Source: Research Findings

Based on the findings in figure 4.8, majority (35%) of the respondents rated high that the reward system affected employee turnover. Additionally, 20% of the respondents rated
the reward system as affecting employee turnover very high, coupled with the respondents who rated the influence of the rewarding system on the employee turnover at moderate level (20%). The findings therefore indicated that the rewarding system affected the employee turnover.

4.4.5 Appropriate agreeable regarding rewards management systems used in banks.

The respondents were requested to indicate the “appropriate extent at which you would agree with rewards management systems used in commercial bank”. The findings are shown in the table 4.2:

**Table 4.2. Rating of various attributes of reward Management Systems**

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>organization undertake pay review at regular intervals which has contributed to low labour turnover</td>
<td>3.99</td>
<td>0.262</td>
</tr>
<tr>
<td>Organization provides a wide range of rewards which reduce the tendency by employees to leave the organization for greener pastures</td>
<td>4.09</td>
<td>0.213</td>
</tr>
<tr>
<td>Organization offer monetary rewards to employees whose performance is high to reduce the number of employees who quit the organization</td>
<td>4.56</td>
<td>0.154</td>
</tr>
<tr>
<td>Organization high level pay has contributed to retaining of highly qualified labour force</td>
<td>4.02</td>
<td>0.167</td>
</tr>
<tr>
<td>Organization depends on incentives as tool for implementing strategies which has reduced the rate of turnover</td>
<td>3.76</td>
<td>0.289</td>
</tr>
</tbody>
</table>

**Source: Research Findings**

From the findings in table 4.2 the respondents strongly agreed that, organization offer monetary rewards to employees whose performance is high to reduce the number of
employees who quit the organization (mean=4.56). Additionally, respondents agreed that organization provides a wide range of rewards which reduce the tendency by employees to leave the organization for greener pastures (mean=4.09). More so, respondents agreed that Organization high level pay has contributed to retaining of highly qualified labour force (mean=3.99). Finally, the respondents agreed that organization depends on incentives as tool for implementing strategies which has reduced the rate of turnover (mean=3.76). The study depicts that, organization offer monetary rewards to employees whose performance is high to reduce the number of employees who quit the organization.

4.5 Employee Relations

4.5.1 The link between Employer and Employee relations

The respondents were requested to indicate whether the relationship between the employer and the employee in the bank has kept rate of labour turnover at low level. The findings are as shown in the figure below:

Figure 4.9. Perceived influence of Employee Relations on Labour Turnover in Commercial Banks in Kenya

Source: Research Findings
From the finding in figure 4.9, majority of the respondents (60%) agreed that the relationship between the employer and the employee in the bank has kept rate of labour turnover at low level. The study postulates that the relationship between the employer and the employee in the bank has kept rate of labour turnover at low level.

4.5.2 Perceived link between rules and regulations on labour turnover

The respondents were requested to indicate the extent to which the Bank’s rules and regulations affect labour turnover. The findings are as presented in the figure 4.10

Figure 4.10. Perceived Link Between rules and regulations on labour turnover

Source: Research Findings

Based on the findings, majority of the respondents (35%) agreed at a moderate extent that the employer rules and regulations affect labour turnover. Additionally, 20% of the respondents at a large extent agreed that the employer rules and regulations affect labour turnover, coupled with the respondents who rated the influence of the rewarding system on the employee turnover at low extent level (20%). The findings therefore indicated that
the rewarding system affected the employee turnover. The findings show that, the employer rules and regulations affect labour turnover.

4.6 Discussion of Findings

The study found that the organization provides opportunities for employees to progress in development of their careers and this prevents them from quitting, in addition, the study found that the organization promotes employees who advance their skills by enriching their roles to a greater responsibility. The study established a supervisor human resource unit was in place to enable employees to show their strength in skills which prevents them from quitting. On the other hand, organization transformation from manual to computerized system to offer new skills to the employees. The study further established organization training should match individual capacity and aspiration and the needs of the organization. This concurs with a study by Gilbert (1978), if employees expect little compensation and no growth opportunities in return for their work, they may put forth only minimal effort until they eventually look to a new employer for new opportunities. If the employee has a particular goal, some behavior has to be produced to accomplish that goal. The employee has to weigh the likelihood of various behaviors that will accomplish the desired goals and select the most successful behavior (Vroom, 2009). Thus the employee’s motivation according to Vroom may be augmented by changing the perception or by boosting the expectancy level through better communication and augmenting the actual reward that will result.

The study established that respondents receive or ever received increased basic pay from their respective banks as a form of reward to them. On the other hand, the study further
established that they receive or they have received rewards such as sick leave insurance cover, annual holidays. In addition the study established that they received lump sum and recognition and autonomy as a form of reward form their respective commercial banks. The study also found that, respondents valued the rewards that they received from their respective commercial banks that they worked for. Similarly, the conventional view is that a manager’s plan for strategy implementation should incorporate more positive than negative motivational elements because when co-operation is positively enlisted and rewarded, people tend to respond with more enthusiasm and effort (Sampson, 1973; Pfeffer, 2005).

The study found that the relationship between the employer and the employee in the bank has kept rate of labour turnover at low level. The study also found that the relationship between the employer and the employee in the bank has kept rate of labour turnover at low level. The study established that the employer rules and regulations affect labour turnover. This is in agreement with (Smith, G.2007) who stated maintenance of employee/employer relationships that contribute to satisfactory productivity, motivate employees and ensure healthy employee morale. Among many ways to successfully manage employee relations, performance management and open communication are key. Similarly, relationship management entails aspects that satisfactorily enhance productivity, motivation, human relations that are value addition and conducive for employees (Cole, 1991).
CHAPTER FIVE

SUMMARY AND DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter presents summary, conclusion and recommendations on factors influencing labour turnover in commercial banks in Kenya.

5.2. Summary of findings

The study found out most of the respondents agreed that training provided by commercial banks to prevent labour turnover degree. The study also found out that the respondents strongly agreed that organization provides opportunities for employees to progress in development of their careers and this prevents them from quitting.

The study found out that the respondents receive or ever received increased basic pay from their respective banks as a form of rewarding them. The study also found out that that the respondents valued the rewards that they got. The study further found out that indicated that the rewarding system affected the employee turnover. Finally the study found out that organization offer monetary rewards to employees whose performance is high to reduce the number of employees who quit the organization.

The study found out that that the relationship between the employer and the employee in the bank has kept rate of labour turnover at low level. The study also found out that the rewarding system affected the employee turnover. The findings show that, the employer rules and regulations affect labour turnover. The study further found out that open
communication in the organization has enhanced employee relations which has reduced rate of labour turnover.

5.3 Conclusion

The study concluded that training provided by commercial banks prevent labour turnover degree. In addition, organization provides opportunities for employees to progress in development of their careers and this prevents them from quitting.

The study concluded that the commercial banks staffs receive increased basic pay from their respective banks as a form of rewarding them which they highly value. The study concludes that organizations offer monetary rewards to employees whose performance is high to reduce the number of employees who quit the organization.

In conclusion, the relationship between the employer and the employee in the commercial banks has kept the rate of labour turnover at low-level due to good rewarding system favorable employer rules and regulations as well as open communication that enhances the relations thus reduced rate of labour turnover.

5.4 Recommendations

Several recommendations are made based on the findings of the study of factors influencing labour turnover in commercial banks in Kenya.

The banking and financial sector should increase intrinsic factors by initiation proper working environment such that there exists job satisfaction, ability to achieve targets and exercise control during execution of duties. These will increase intrinsic factors and reduce staff turnover.
The management should benchmark salaries and bonuses to suit the competition Rewards should also match Performance management and there should be equity and justice in remuneration issues.

Clear career path should be initiated as early as during recruitment process such that skills and competencies are matched with academic and professional qualifications. Job evaluations should be done and more trainings, mentorship given to employees.

The banks’ retention policies and strategies should adequately respond to the employees needs and other necessary implementations after market intelligence should be encouraged so that employees are motivated to facilitate their effectiveness and retention.

5.5 Suggestions for Further Research

A similar study can be done in other banks or the Kenya Banking industry to establish if the finding will be similar. The research also recommended the following areas for future studies;

Factors influencing employee’s performance in the other industries.

Factors influencing training of employees turnover in the banking industry
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Hogan (1992), Sales force Turnover in Direct Selling Organizations in the United Kingdom and France, Master’s Thesis, Keele University.


Kinyanjui (2008) Organizational commitment, salaries and remuneration, job satisfaction, and turnover among psychiatric technicians


APPENDIX I. QUESTIONNAIRE

This questionnaire aims at collecting information and data for academic use by the researcher. Your kind participation will go a long way in providing useful information required to complete this study. The information provided will be treated in confidence. You need not indicate your name. Please answer the questions precisely and objectively; the information will be treated confidentially.

PART I: GENERAL INFORMATION

1. Gender

   Male [ ]

   Female [ ]

2. Age category

   Below 30 years [ ]

   30 – 34 years [ ]

   35 – 39 years [ ]

   40 – 44 years [ ]

   45 years and above [ ]

3. Working experience

   5 years and below [ ]

   6-10 years [ ]

   11-15 years [ ]
4. Highest Level of education

Diploma/certificate [ ]

Bachelor’s Degree [ ]

Postgraduate diploma [ ]

Postgraduate degree [ ]

PART II: INFLUENCE OF EMPLOYEE TRAINING ON LABOUR TURNOVER ON COMMERCIAL BANKS IN KENYA

5. To what extent do you agree on the employee training provided by commercial banks to prevent labour turnover? Tick as appropriate.

Strongly agree [ ]

Moderately agree [ ]

Neither agree nor disagree [ ]

Moderately disagree [ ]

Strongly disagree [ ]

6. Rate the influence of training on labour turnover in your bank using the scales provided in the matrix presented below. The scales are defined as follows, a scale of 1-5 with Very low satisfaction =1, Low satisfaction =2, Moderate satisfaction =
3. High satisfaction = 4, Very high satisfaction = 5. Tick the appropriate box against the statements.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization provides opportunities for employees to progress in development of their careers and this prevents them from quitting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization promotes employees who advance their skills by enriching their roles to a greater responsibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization has established a supervisor human resource unit to enable employees show their strength in skills which prevents them from quitting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization training should match individual capacity and aspiration and the needs of the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization transformation from manual to computerized system to offer new skills to the employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PART III: INFLUENCE OF REWARD MANAGEMENT ON LABOUR TURNOVER ON COMMERCIAL BANKS IN KENYA**

7. Tick the rewards that you receive or ever received from the bank as applicable to you.
Increased basic pay [ ]

Lump sum [ ]

Promotion [ ]

Annual holidays [ ]

Sick leave insurance cover [ ]

Recognition and autonomy [ ]

Others (specify) ________________

8. In your opinion, do you value the rewards you get?
   Yes [ ]
   No [ ]

9. How would you rate the reward system as affecting employee turnover?
   Very high [ ]
   High [ ]
   Moderate [ ]
   Low [ ]
   Negligible [ ]

10. Indicate by ticking the appropriate the extent at which you agree with each of the following statements regarding rewards management systems used in your bank.
5=strongly agree, 4=Agree, 3 neither agree nor disagree, 2=Disagree 1=strongly disagree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>organization undertake pay review at regular intervals which has contributed to low labour turnover</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization provides a wide range of rewards which reduce the tendency by employees to leave the organization for greener pastures</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Organization offer monetary rewards to employees whose performance is high to reduce the number of employees who quit the organization</td>
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<td>Organization high level pay has contributed to retaining of highly qualified labour force</td>
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<td>Organization depends on incentives as tool for implementing strategies which has reduced the rate of turnover</td>
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PART IV: EMPLOYEE RELATIONS ON LABOUR TURNOVER ON COMMERCIAL BANKS IN KENYA.

11. Does relationship between the employer and the employee in the bank has kept rate of labour turnover at low level?

Yes [  ]

No [  ]

12. To what extent does employer rules and regulations affect labour turnover?

Very large extent [  ]
Large extent    [  ]

Moderate extent [  ]

Less extent      [  ]

No extent        [  ]

13. Rate the effects of employee relations on labour turnover in your banks on a scale of 1-5 with strongly disagree =1, disagree =2, neither agree nor disagree = 3, agree = 4, strongly agree=5.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1</th>
<th>2</th>
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<th>5</th>
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<tbody>
<tr>
<td>Grievance procedure established by the organization has contributed to</td>
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<td>reduced rate of turnover</td>
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<tr>
<td>Employees themselves have good interpersonal relationship with each other</td>
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<td>which has helped reduce rate of turnover</td>
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<td>Open communication in the organization has enhanced employee relations</td>
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<td>which has reduced rate of labour turnover</td>
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<td>The organization has implemented open door policy which has contributed</td>
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<td>significantly to low labour turnover as compared to other industries</td>
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<td>Top management has developed a cordial relationship with employees which</td>
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<td>helped reduce turnover</td>
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</tbody>
</table>

-THE END-

THANK YOU