PERCEIVED FACTORS INFLUENCING EMPLOYEE TURNOVER IN SDV TRANSAMI, KENYA

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DECLARATION

I hereby certify this research project as my original work and has not been presented for examination in any other institution of higher learning.

Sign: ………………………… Date: ………………………

KARIUKI ELIZABETH WAMBUI

D61/70234/2009

This project has been submitted for examination with my approval as university supervisor.

FLORENCE MUINDI

Sign: …………………………   Date: ………………………….

DEDICATION

I dedicate this work to my family for the sacrifice they made for me to complete this project. Their love, care, concern, support, encouragement and enthusiasm inspired me to achieve this goal.

ACKNOWLEDGEMENTS

ABSTRACT

Organizations invest a lot in their employees in terms of induction, training, developing, maintaining and retaining them. Employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment. The objective of the study was to determine the factors perceived to be influencing employee turnover in SDV Transami.

The literature review of the study discusses in detail the factors that have been shown to influence employee turnover. The design of this research was a descriptive survey with simple random sampling employed as its sampling design. The sample was composed of 96 employees who were randomly selected from each of the 17 departments. Primary data from the respondents was collected using a semi-structured questionnaire. Descriptive statistics such as means, standard deviation and frequency distribution was used to analyze the data. Data presentation was done by the use of pie charts, bar charts and graphs, percentages and frequency tables. In addition, The study also used factor analysis to analyze the collected data in order to outline the major factors perceived to be influencing employee turnover in the logistics industry specifically SDV Transami Kenya.

The results show that none of the listed factors were perceived to be extremely influencing employees' turnover. The factors that were found to be fairly influencing turnover were 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. From the study and related conclusions, the researcher recommends further research in the area of the role of economic factors in influencing job turnover in organizations in Kenya. Further research studies should be done on the role of Salary and rewards on job turnover in organizations in Kenya.

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CHAPTER ONE: INTRODUCTION

1.1 Background

Organizations invest a lot in their employees in terms of induction, training, developing, maintaining and retaining them. Managers must therefore minimize employee's turnover at all costs. Although there is no standard framework for understanding the employees turnover process as whole, a wide range of factors have been found useful in interpreting employee turnover (Kevin et al. 2004).There is therefore a need to develop further understanding of the employee turnover especially the sources of the employee turnover. The reason a lot of attention has been paid to the issue of turnover is because turnover has significant effects on organizations. Dyke and Strick, (1990);Denvir and McMahon,(1992) argue that high turnover rates might have negative effects on the profitability of the organization if not properly managed. Intention to leave is a complex phenomenon that depends on various factors. Research findings have shown that people who are relatively satisfied with their jobs, will stay in them longer, i.e. lower turnover, and be less absent (Jewell and Segall, 1990; 1976). Research on employee turnover behavior indicates that age, job satisfaction, tenure, job image, met expectations, and organizational commitment are consistently related to turnover intentions and the actual turnover (Arnold and Feldman, 1982; Wotruba and Tyagi, 1991; Brodie, 1995).

1.1.1   Concept of perception

Armstrong (2001) defines perception as the acquiring of knowledge or the acquiring of an inclination to believe in particular facts about the physical world by means of our senses. According to the Chambers dictionary, perception is defined as an act of being aware of one's environment through physical sensation. Perception encompasses all processes associated with the recognition, transformation and organization of sensory information (Carterette & Fieldman 2008).Perception involves the formation of opinions about people or groups of people based on social relationships, interviews or observation. Perception has been shown to be influenced by factors such as ones needs and desires, personality, mood and experiences. According to Nelson and Quick (1997) one may be in possession of the same information that others have on a particular situation, group or person but still arrive at a different

conclusion due to individual differences in the capacity to interpret the information that one has.

1.1.2 Concept of employee turnover

Employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment (Abassi et al. 2000). The term turnover is defined by Price (1977) as the ratio of the number of organizational members that have left during the period under consideration divided by the average number of people in the organization during that period. This term is often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of reason. Horn and Griffith (1995) developed a model that is based on a theory of decision making aspect of employee turnover, i.e. turnover as a decision to quit. The underlying premise of their model is that people leave organizations after they have analyzed the reasons for quitting (Beach ,1990).

In a human resource context, employee turnover/staff turnover/labour turnover can be defined as the rate at which an employer gains and loses employees. Simply put, it is a measure of how long employees tend to stay. Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired. This replacement cycle is known as turnover. There are some factors that are, in part, beyond the control of management, such as the death or incapacity of a member of staff which contribute to involuntary turnover. Other factors have been classed as involuntary turnover in the past such as the need to provide care for children or aged relatives. The number of leavers that are included in employee turnover only includes natural turnover i.e resignations, termination, retirement e.t.c and does not reflect any redundancies.

1.1.3 Factors influencing employee turnover

Kramer et al. (1995); Peters et al. (1981); Saks. (1996) among others have attempted to answer the question of what determines peoples intention to quit by investigating possible antecedents of employees intentions to quit. There are several reasons why people leave organizations which could be used to predict intentions to quit and actual turnover. The range of factors may include lack of commitment, job dissatisfaction, insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity

of performance evaluation methods and extensive job pressures. Organizational factors such as its stability, personnel policies, grievance handling procedures, supervisory practices and the work environment have been shown to have an influence on employee turnover. Individual factors such as emotional attachment to, identification with and involvement in the organization have been shown to have a link with employee turnover (Allen & Meyer.1990).

1.1.4 SDV Transami

SDV Transami is the leading logistics company in the African region. Wikipedia defines logistics as the management of flow of goods and services between the point of origin and the point of consumption in order to meet customers' requirements. SDVs history dates back to over half a century ago where it existed in East Africa as Notco and Ami. Notco and Ami later joined together with Transami in 1968 to form Transami. It was then acquired by the Bollore group through its transportation division SDV. The name was then changed to SDV Transami. SDV Transami is present in 42 countries out of the 54 African states. Worldwide, the SDV group is present in 85 countries and has over 500 offices. In Kenya, the company has offices in Nairobi, Mombasa and Kisumu and has a huge workforce of over 800 permanent staff in its Nairobi and Mombasa offices.SDV Transami invests greatly in its quality and management systems and was awarded ISO 9001:2000 certification in 2004.

SDV Transami provides a variety of services such as air and sea freight, road transport, warehousing, international packaging and removals as well as express courier services. It offers an all round logistics solution to its customers. The airfreight division focuses on consolidation of cargo to and from East Africa, customs clearance, handling of dangerous, perishable and live cargo as well as customized packing. SDV offers a specialized service which provides refrigerated and controlled atmosphere containers to the East African market for import and export cargoes. The road transport section has an extensive fleet of freightliners, trucks, car carriers, loaders and tractors throughout the region. SDV Transami has warehousing facilities in Nairobi, Mombasa, Tanzania, Uganda, Burundi and Rwanda and has both customs bonded warehouses and transit warehouses. Additionally, there are some warehouses that have coffee processing facilities such as sorting, sampling, bulking, and blending as well as storage facilities before it is shipped out. There is also an international packaging and removals department which offers door-to-door services such as handling of pets and personal effects, residence and office relocation and vehicle import/export.

The Mombasa Container Terminal is a sister company that is licensed by the commissioner of customs and excise to operate its own container freight station. It acts as a dry port allowing storage of shipping containers awaiting customs clearance to facilitate decongestion of the main port in Mombasa.SDV Transami are shipping agents for the Indian Ocean from Mombasa to and from Europe and from the far East through the sea service. The East Africa Commercial and Shipping (EACS) ltd is an associated company of SDV Transami which represents a prestigious liner agency with expertise in container and car carriers. SDV Transami Kenya limited is the authorized service contractor for United Parcel Services (UPS) which is among the world's larger express delivery companies.

1.2 Research problem

Employees are extremely crucial to the organization since their value to the organization is essentially intangible and not easily replicated (Meaghan et al. 2002. Turnover has many invisible costs (Phillips.1990) which are a result of incoming employees, morale of co-workers closely associated with the departing employee, pressure on remaining staff, loss of social capital and filling of the vacant position.Gustafson (2002) argues that turnover includes other costs such as lost productivity, lost sales and management time. Each time an employee leaves the firm, it is presumed that productivity drops due to the learning curve involved in understanding the job and the organization. The loss of intellectual capital adds to these costs. Not only do organizations lose the human and relational capital of the departing employee, competitors are also potentially gaining these assets Meghan et al.(2002). If employee turnover is not managed properly, it would adversely affect the organization in terms of personnel costs and in the long run it would affect its liquidity position (Denvir and McMahon,1992). Managers must therefore recognize employees as major contributors to the efficient achievement of the organization's success (Abbasi et al. 2000).

Studies on employee turnover show that salaries are not the main drivers of employee turnover. Locally, 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. Career growth and opportunity, better compensation, structured induction programmes, performance management tools, equitable compensation packages, job satisfaction and good leadership skills were found to influence their decision to stay with their current employer. From the respondents, training was the least factor that would influence them to leave their current employment. 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. 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. The study examined the factors that motivate sales agents and investigated the relationship between motivation and labour turnover. The key findings of the study were lack of financial support to new agents, inadequate on the job training, lack of a good career policy, poor supervision of sales agents, dissatisfaction with remuneration methods and lack of involvement in decision making were found to influence turnover.

In the recent past, SDV Transami-Kenya has experienced frequent staff movements from certain key departments to competing companies. Over the last three years, the overall organization turnover has been 4.91%, 7.38% and 3.72% in 2009,2010 and 2011 respectively. Although the overall turnover decreased in 2011,the departments that have consistently shown high turnover over the last three years are Finance & administration,Airfreight and Quality with the average turnover being above 12%. These staff movements from different departments have triggered the need for a fact finding mission to determine the perceived reasons for the turnover and suggest workable alternatives to counter these problems. The above mentioned studies did not focus on the employee turnover variables of the Logistics industry in Kenya. This study therefore sought to bridge this gap in knowledge by studying the factors influencing employee turnover in one of the leading Logistics firms in Kenya. The research question to be answered is:-

What are the factors perceived to be influencing employee turnover

1.3 Objective of the study

To determine the factors perceived to be influencing employee turnover in SDV Transami.

1.4 Importance of the study

Once completed, the research findings will be analyzed and communicated to the heads of department in SDV Transami. The study will provide information related to the current status of employees intention to leave the organization, which has been suggested as a precursor to actual leaving behavior (Posthuma, 1999). 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 may yield 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 will also shed 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 will 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.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

In this chapter the study introduces an enthusiastic reader to the literature review regarding perceived factors influencing employee turnover. The discussion covers employee turnover and factors influencing employee turnover.

2.1 Employee turnover

Employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment (Abassi et al. 2000). The term "turnover" is defined by Price (1977) as the ratio of the number of members who have left an organization during the period being considered divided by the average number of people in that organization during the period. Frequently, managers refer to turnover as the entire process associated with filling a vacancy. Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. Woods, (1995) describes this replacement cycle as turnover .This term is also often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of reason.

Employee turnover is a much studied phenomenon, (Shaw et al. 1998) but there is no standard reason why people leave an organization. Bluedrn,(1982);Kalliath and Beck. (2001);Kramer et al.(1995);Peters et al.(1981); Saks, (1996) have attempted to answer the question of what determines peoples intention to quit. To date, there has been inconsistency in the findings partly due to the diversity of employees included in the research and the lack of consistency in their findings. There can be many reasons for employees leaving the company. These reasons are related to different factors like job description, salary, organizational culture, local economy, workload, length of stay in the current position, personality among others. Job dissatisfaction makes employees to quit (Firth et al. 2007). The predominant reasons for leaving of positions are the local economy and the ratio of demand for employees and the number of employees that are looking for a job. The "Unfolding model" of voluntary turnover represents a divergence from traditional thinking (Hom and Griffeth, 1995) by focusing more on the decisional aspect of employee turnover, in other words, showing instances of voluntary turnover as decisions to quit. The model is based on a

theory of decision making. The Image theory (Beach , 1990), describes the process of how individuals process information during decision making. The underlying premise of the model is that people leave organizations after they have analyzed the reasons for quitting.

Studies have shown that turnover intention is a good measure of actual turnover behaviour, and that attitude is an immediate determinant of turnover intention (Fishbein & Ajzen 1975, Ajzen & Fishbein 1980, Zimmerman 2008) but relatively few studies have focused on the motivational factors underlying turnover intention, such as job autonomy and work motivation (Richer et al., 2002), and how these variables are related to affective commitment.

The attraction-selection-attrition (ASA) framework is used to analyze the turnover and turnover intention of employees (Schneider, Goldstein, and Smith, 1995). Attraction refers to the fit between an individual's needs, values, and personal characteristics and those of an organization. Selection involves job applicants choosing each other on the basis of this anticipated fit between the person and the characteristics of the job. Attrition refers to employees leaving the organization because they do not fit. The attraction-selection-attrition framework considers turnover to be the consequence of a misfit between job characteristics and an individual's needs and values (Moynihan and Pandey, 2008). The more general person-environment fit literature provides ample evidence of the negative consequences of misfits on Human Resource Management outcomes such as job satisfaction and turnover (Hoffman and Woehr, 2006; Kristof, 1996; Verquer, Beehr, and Wagner, 2003)

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 turnover has significant effects on organizations. Demicco and Grindharan ,1987;Dyke and strick ,1990;Denvir and Mc mahon ,1992 argue that high turnover rates might have negative effects on the profitability of the organization if not properly managed. Some of the costs associated with employee turnover include costs of searching for a suitable substitute, selection between competing substitutes, induction of the chosen substitute and formal and informal training of the chosen candidate until he/she attains performance levels equivalent to the individual who quit (John 2000) and work output which is affected or maintained at the cost of overtime payment. Additionally, there are administrative costs involved in addition and removal from the payroll and the associated final dues. Turnover has many invisible costs (Phillips, 1990) which are a result of incoming employees, morale of co-workers closely associated with the departing employee, pressure on remaining staff, loss of social capital and filling of the vacant position.

Catherine (2002) argues that turnover includes other costs such as lost productivity, lost sales and management time.

Each time an employee leaves the firm, it is presumed that productivity drops due to the learning curve involved in understanding the job and the organization. The loss of intellectual capital adds to these costs. Not only do organizations lose the human and relational capital of the departing employee, competitors are also potentially gaining these assets (Meghan et al.2002). Costly et al. (1987) points out that a high labour turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. Too high employee turnover may cause organizational problems while too low or no turnover may cause a lack of idea generation and resistance to change. A 5% annual turnover is generally acceptable as healthy since old employees give experience but are resistant to change while new employees are motivated and receptive to their job demands (Kevin et al. 2004). If employee turnover is not managed properly, it would adversely affect the organization in terms of personnel costs and in the long run it would affect its liquidity position.

2.2 Factors influencing employee 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.

2.2.1 Psychological 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. According to Mueller & Price, (1990) conceptualizing turnover psychologically deals with factors that are influenced by employee's emotions, attitudes or perception. The psychological school of turnover may be classed as voluntary, as they emphasize the role of individual choice and often includes only those dimensions related to work issues and thus they neglect non-work factors as reasons for leaving work (Lee et al., 1996). A psychological contract refers to an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between that person and another party (Rousseau, 1989; Farmer &

Fedor, 1999). The concept of the psychological contract is based on the insight that the employees' motivation and the level of their performance have to be maintained by the organization through incentives and rewards (Brinkmann & Stapf, 2005).

Graham (1982) defined job satisfaction as the measurement of one's total feelings and attitudes towards one's job. Greenberg and Baron (1997) define job satisfaction as an individual's cognitive, affective, and evaluative reactions towards his or her job. Locke (1976) provides more specific definition on job satisfaction as the state where one's needs and one's outcomes match well. Cranny et al (1992) concluded that job satisfaction is a contribution of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared with what he or she actually receives. The relationship between job satisfaction and turnover is one of the most thoroughly investigated topics in the turnover literature. Many studies report a consistent and negative relationship between job satisfaction and turnover (Cotton & Tuttle, 1986; Arnold & Feldman, 1982; Bluedorn, 1982; Mobley, 1982; Price, 1977), as dissatisfied employees are more likely to leave an organization than satisfied ones. According to Cranny, Smith and Stone. (1992) job satisfaction is a combination of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared to what he or she actually receives.

Job satisfaction is a collection of positive and/or negative feelings that an individual holds towards his or her job. According to Tett and Meyer (1993) high job satisfaction leads to lower turnover, while low satisfaction leads to higher turnover. However, Weitz (1952) argued that job dissatisfaction would be more predictive of turnover if it was considered in the light of an individual's predisposition to be satisfied with everyday life events. Spencer and Steers (1981) found a strong negative relationship between job satisfaction and turnover only for employees who were relatively low performers. They observed that high performing employees who became dissatisfied were encouraged to stay by receiving whatever inducements could be provided to change their feelings. Whereas, low performers received no such encouragement, therefore, job satisfaction was more likely to be related to quitting for them than for the high performers. Mobley et al (1978) found that job satisfaction negatively effects turnover intent, and turnover intent directly impacts voluntary turnover. According to the Society for Human Resource Management journal April-June 2009, job dissatisfaction can contribute to multiple organizational problems and has been associated

with increased levels of turnover and absenteeism, which ultimately cost the organization in terms of low performance and decreased productivity. Consistency of the negative relationship between job satisfaction and turnover has led the investigators to look more closely at other factors that might be related to issues of turnover and job satisfaction.

Intrinsic factors of job satisfaction are those that are associated with the employees job and are within the managements control. They include variables such as recognition, flexibility, position, career growth prospects, nature and kind of job, job security, supervisory support and working environment. Job stress contributes to job dissatisfaction and includes variables such as role ambiguity, role conflict, work-overload and work-family conflicts. Other factors which make employees quit from organizations are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation systems in the organization and a toxic workplace environment Abassi e al. (2000)

Mowday and Steers (1979) defined commitment as the relative strength of an individual's identification with and involvement in a particular organization .It is characterized by three factors namely a strong belief in and an acceptance of the organization's goals and values, willingness to exert considerable effort on behalf of the organization and a strong desire to maintain membership in the organization. Lee et al. (2001) conceptualized commitment in terms of three distinct psychological states which influence whether the employees remain or leave the organization. These states are outlined as affective commitment which is emotional attachment to the organization, continuance commitment which refers to recognition of the cost associated with leaving the organization and normative commitment which refers to the perceived obligation to remain with the organization. Studies have shown that organizational commitment is one of the most important predictors of intention to leave. Meyer, Becker & Vandenberghe, (2004) and Sommers (1995) argued that affective commitment emerged as the most consistent precursor of turnover intent. Traditional studies argued that organizational commitment develops from job satisfaction (e.g.Price & Mueller, 1981) and concluded that commitment takes longer to develop and thus is more stable than job satisfaction as a predictor of turnover intention.

2.2.2 Economic factors influencing turnover

Economists view the employee's decision, whether he wants to leave or stay, as a result of a rational cost-benefit assessment (Mueller & Price, 1990). Economic determinants include pay, training and company size.

According to Mueller and Price (1990), pay is considered as a part of the sanctions system used by the organization to motivate employees to be in compliance with its regulations and rules. Pay satisfaction was examined to be negatively correlated with intention to leave, since it was positively correlated with job satisfaction (Lum et al, 1998). Mano et al. (2004) argues that employees quit from an organization due to economic reasons. Even though compensation has ranked among the top contributors to employee job satisfaction, it is unlikely that employees view it in isolation from other factors. Griffeth et al. (2000) noted that pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives it is more likely that employees will remain with the organization and vice versa. While pay and benefits alone is not a sufficient condition for a high satisfaction, it is a necessary condition for the same. This is true because employees want pay systems that they perceive as just, unambiguous, and in line with their expectations.

Robbins (1988), Okumbe (2001) and Scheir (1988) assert that in determining compensation levels, organisations must be conscious of the prevailing market rates to ensure fairness and equity in compensation. Okumbe further, asserts that organisational indifference on going rate or going range will affect negatively on efforts meant to attract and retain the required staff. When people are paid well they are able to live well and are able to meet their daily needs, concentrate at their places of work, and accomplish the tasks assigned to them (Lawler, 1981). Perceived going rates will also increase levels of productivity and efficiency. Typically, the more money an employee makes, the more satisfied he will be overall. However, many studies have shown that compensation alone will not guarantee employee satisfaction. Even highly compensated employees may be dissatisfied with their jobs, and employees with low levels of pay may still be quite satisfied with their jobs for reasons other than compensation.

The relationship between training and turnover can be traced back to the Human Capital theory, which proclaimed that education is an investment in human capital which can increase the quality of an employee (Becker, 1993). It is often assumed that the level of education has a positive effect on the probability of job mobility since high education is often associated with better labor-market alternative (Royalty,1998). Gardiner and Whiting (1997) indicate some well-established research results which indicate that the altered behaviours brought about by learning with not only improve the job performance but also the satisfaction of employees. Pool (2000) and Hall (2001) suppose that during the process of encouraging employees to want to learn, it is necessary for the existence of an organizational culture to support the learning. Efficiency of learning can allow employees to firmly possess the skills about personnel companionship interaction and correct social manners so that it is available to boost morale and reduce the absence rate and job alternation rate. Hence the turnover rate will be low if there are training opportunities in the organization. Career advancement opportunities were reported as an important aspect to employee job satisfaction in the journal of human resource article (2005) .Employees who are more highly educated are however more likely to leave because education is a form of human capital that can easily be used in other organizations. With specific human capital, the opposite is true. As education and training limit employees opportunity of finding another job in the job market, they are regarded as significant factors affecting intention to leave (Stolzenberg, 1975).

During the recession phase in the mid-nineties, smaller organizations were confronted with higher turnover rate, whereas bigger organizations were able to keep their employees (Henneberger & Sousa-Poza, 2002). Many people assume that bigger companies pay a higher salary, have more existing promotion opportunity and offer a higher job safety than smaller companies. Good local labour market conditions improve organizational stability Schervish (1983). Large organizations can provide employees with better chances for advancement and higher wages and hence ensure attachment (Idson and Feaster 1990). Therefore an inverse relationship between company size and intention to leave exists.

2.2.3 Demographic factors influencing turnover

Demographic variables are also known as personal characteristics and are widely used in turnover research (Price, 1995). 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.

Cotton and Tuttle, (1986); Price, (1977); Horn & Griffeth, (1991) included tenure in demographic predictors of turnover. 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.

Age has been found to be negatively correlated with the probability of job turnover intent (Henneberger & Souza-Poza, 2007). Based on the matching theory, younger people have an experimental stage at the beginning of their professional life. A change is less attractive, since the available time to redeem the costs associated with a job turnover diminishes with age. Emphasizing the turnover rate amongst employees, McGlaham (2006) remarks that the mobility rate is such that a young employee entering the work force after graduation can expect to have an average of twelve different jobs by the time such an employee attains the age of 40 years

Various studies examined the effect of gender on job mobility .Griffeth et al. (2000) cited evidence that gender moderates the age-turnover relationship. Social-psychological studies e.g. Crosby, (1982); Mueller & Wallance, (1996) show organizational and job satisfaction to be equal between women and men. Economic studies however e.g. Clark, (1997); Souza-Poza, (2007) concluded that due to the lower expectations of women about their careers, they seem to have a higher job satisfaction on identical jobs than men, which generally reduces job turnover inclinations.

2.2.4 External factors influencing turnover

External factors are those factors that are out of the organizations control and include factors such as external opportunity, macroeconomic environment and globalization. External opportunity refers to the availability, attractiveness and attainability of alternatives in the environment. The interaction of supply and demand forces in the economy must be taken into consideration in measuring external opportunity. The availability is mainly about the number of opportunities outside the organization, attractiveness refers to the pay levels of such opportunities while attainability is the possession of the skills required on the job (Mueller & Price, 1990).It therefore follows that numerous higher paid jobs for which a worker is

qualified should produce a greater turnover. Research findings by the Harvard Business School (2000) and cited in Birt et al. (2004) indicate that, despite the high levels of current commitment to both the organization and the job, the phenomenon of market-driven turnover is paramount amongst high performing employees.

Research findings by the Harvard Business School (2000) and cited in Birt et al. (2004) indicate that, despite the high levels of current commitment to both the organization and the job, the phenomenon of market-driven turnover is paramount amongst high performing employees. The research further states that employees base a decision to leave on the availability of better external employment offers. McClelland (2002) asserts that economic growth imposes a lot of challenges on retention practices and turnover management by human resource managers. One of these challenges is the frequency of recruitment and turnover rate of skilled employees within a pool of depleted labour market and the attendant costs. With acute shortage of skilled manpower in a rapidly growing economy, the competition for the few available skilled employees becomes intense among organizations and this provides opportunity for job hopping amongst skilled employees. Worldwide, the search for skilled employees is on because job hopping among skilled employees is inevitable as alternative employment opportunities continue to exist (Czakan 2005).

According to Burmeister (2007), the increased international capital flows that characterize globalization have led to increasing global flows of migrant labour. As a consequence, many countries are competing in the international labour market to attract and retain skilled employees. This has badly affected labour markets, with professionals and other skilled employees from all sectors of the economy migrating to advanced economies in Europe, and America. With increased employee mobility in an increasingly shrinking global village, people are able to transfer their skills to the highest bidder or the location they find most attractive. Burmeister (2007) asserts that globalization has intensified the search for skilled employees as innovative, internationally experienced individuals are sought after as competition becomes increasingly global. Burmeister (2007) further argues that globalization has accelerated skills transfer across national borders and limited the ability of countries to manage their human resources independent of international norms. The global job market provides international job opportunities that cause the brain drain from which the receiving countries benefit mostly. However, not all turnovers result from job opportunities abroad;

some respond to the performance of the national economy thereby facilitating job mobility within local organizations.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methodology that will be used to collect data for the study. It covers the research design, the target population, data collection instruments and procedures.

3.1 Research design

The design of this research was a descriptive survey. The design was ideal for this study which seeks to establish the perceived factors influencing employee turnover and describe the future of the job environment for the staff in SDV Transami Kenya.

3.2 Population

In this study the population of interest was the 779 permanent employees of SDV Transami as obtained from the Human Resource records.

3.3 Sampling Design

The sampling design to be adopted was Simple random sampling to select 10% of employees from each of the 17 departments.

The sample size was as outlined overleaf:-

Table 3. 1: Sample size

	Department	Number of employees	Sample size (10%)
1	Commercial	15	2
2	Finance & Administration	89	8
3	Administration	60	6
4	Sea exports	78	8
5	Sea imports	140	14
6	Transport and logistics	53	5
7	Human Resource	15	2
8	Warehouse	29	3
9	Airfreight/UPS	71	7
10	Packing and removals	47	5
11	Information Technology	8	1
12	Quality	5	1
13	Petroleum products	39	4
14	Workshop	29	3
15	Container freight station	84	8
16	Legal	7	1
17	Internal handling	13	1
	Total	779	96

3.4 Data Collection

Primary data from the respondents who were randomly selected from each department was collected using a semi-structured questionnaire. The respondents remained anonymous throughout the survey so as to allow free expression of their thoughts and feelings. The questionnaires contained 2 parts.

Part 1 of the questionnaire aimed to capture the demographic characteristics of the respondent such as age, tenure and gender. Part 2 of the questionnaire contained a series of questions to

measure the perception of employees about the psychological, economic and external determinants of turnover as well as employees' attitude, organizational commitment and tendency to quit. The questionnaires were administered using drop and pick method and self-administered to some respondents.

3.5 Data Analysis

The collected data was thoroughly examined and checked for completeness and comprehensibility. The data was then summarized, coded and tabulated. Descriptive statistics such as means, standard deviation and frequency distribution was used to analyze the data. Data presentation was done by the use of pie charts, bar charts and graphs, percentages and frequency tables.

The study also used factor analysis to analyze the collected data in order to outline the major factors perceived to be influencing employee turnover in the logistics industry specifically SDV Transami Kenya.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter discusses the interpretation and presentation of the findings. The purpose of the study was to determine the factors perceived to be influencing employee turnover in SDV Transami. The study focused on psychological factors, economic factors, demographic factors and external factors. This chapter focused on data analysis, interpretation and presentation. The researcher made use of frequency tables and percentages to present data.

The Response Rate

The researcher targeted a sample of 96 respondents out of which 95 responses were obtained from the 17 departments in SDV Transami. This represented a 98.95% response rate.According to Babbie (2002) any response of 50% and above is adequate for analysis thus 98.95% was more than adequate.

4.2 Demographic information

Demographic variables also known as personal characteristics were used in this research. The variables used in this research are gender and age of the respondents

4.2.1 Gender of respondents

As part of the demographic information, the researcher requested the respondents to indicate their gender so as see the effect that gender has on turnover intention and actual turnover. The results are shown in figure 4.1 below.
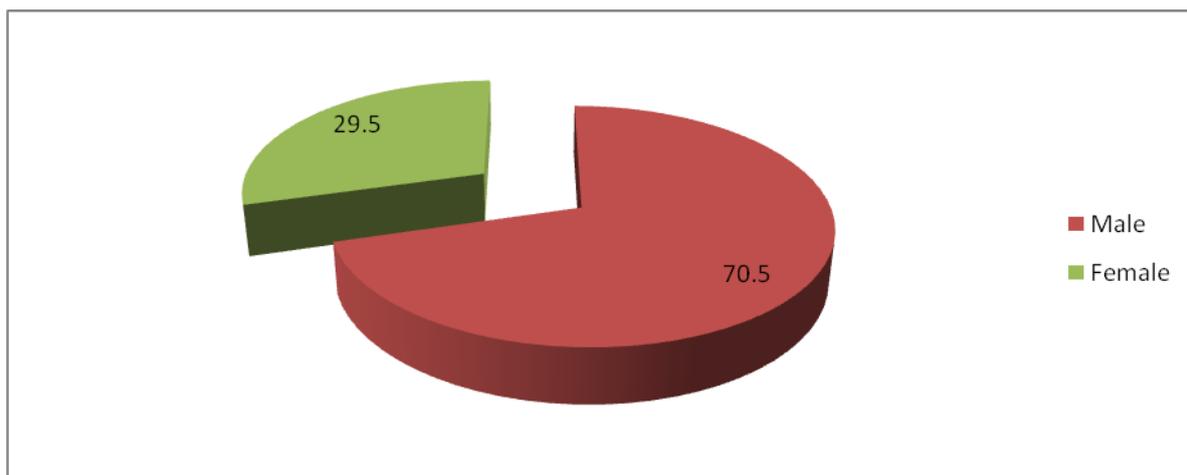
Figure 4.2.1: Gender of the respondents

From the findings as shown by figure 4.1 above, 70.5 percent of the respondents indicated that they were male while 29.5 percent indicated that they were female. It can be extrapolated that majority of the employees in SDV Transami are male.

4.2.2 Age of the respondents

The researcher requested the respondents to indicate their age since age has been found to be negatively correlated with the probability of job turnover intent (Henneberger & Souza-Poza, 2007)
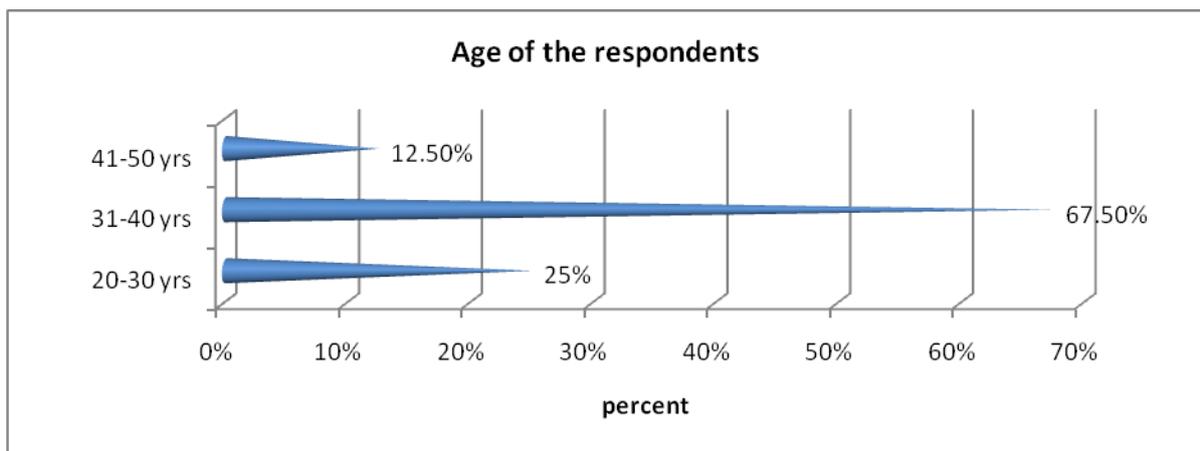
Figure 4. 2.2 Age of the respondents

Figure 4.2.2 above shows the age of the respondents. From the findings 12.5% of the respondents were aged between 41 and 50 years, 67.5% were aged between 31 and 40 years while 25% were paged between 20 and 30 years. From these findings we can deduce that majority of the respondents were aged between 31 and 40 years.

Table 4.2.3: Departments

10% of the respondents were obtained from each of the 17 departments in SDV Transami in line with the sampling design. A total of 95 responses were received .According to Babbie (2002) any response of 50% and above is adequate for analysis hence the sample obtained was representative of the population.

4.3 Perception of factors influencing employees' turnover

The respondents were asked to rate the factors on a scale of 1 to 5 ranging as 5=extremely influence, 4=fairly influence, 3=neutral, 2=somewhat influence and 1 = not at all. A five point likert scale was used to interpret the respondent's responses. According to the scale, those factors which were not considered at all were awarded 1 while those which were extremely influencing turnover were awarded 5. Within the continuum are 4 for fairly influencing turnover, 3 for neutral and 2 for somewhat influencing turnover.

The mean (weighted average) and standard deviation were used to analyze the data from the responses received as shown in the table overleaf.

Table 4.1: Factors Influencing Employees' Turnover

Factors	Mean	Std deviation
Unmet expectations about the job	3.98	0.721
Lack of satisfaction with the job	4.01	0.728
Lack of recognition for work done	3.89	0.827
Lack of flexibility in the job	4.21	0.717
Involvement in the job	4.09	0.716
Incentives and rewards	3.98	0.871
Position in the organization	2.89	0.917
Service is delivered accurately	3.28	0.726
Nature of the job	3.82	0.672
Lack of job security	3.78	0.712
Lack of supervisory support	3.72	0.722
Poor working environment	4.02	0.812
Job stress	4.04	0.911
Inadequate working tools	4.02	0.654
Lack of a clear job description	3.77	0.672
Role conflict	2.87	0.716
Workload	3.72	0.777
Work-life balance	3.61	0.726
Poor hiring practices	3.22	0.726
Poor managerial style	3.72	0.621
Lack of equal pay for equal work done	3.72	0.716
Pay and benefits in the organization	3.62	0.711
Training and development opportunities	3.77	0.672
Level of education	3.99	0.712
Presence of external opportunity	4.01	0.817
Macroeconomic environment	3.88	0.728
Globalization	3.77	0.726

Table 4.2 above shows the extent to which the respondents perceived the factors to be influencing turnover in SDV Transami.

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According to the researcher, those factors with a mean between 0.5 and 1.5 were not influencing turnover, those factors with a mean greater than 1.6 but less than 2.5 were somewhat influencing turnover. From the respondents summary in table 4.2 above, there was no score between 0.5 and 1.5 therefore all the factors mentioned above influenced turnover to a neutral or fair extent.

The factors with a mean greater than 2.6 but less than 3.5 were neutral. The factors that were found to have a neutral effect on the turnover were position in the organization (M=2.89), accurate service delivery (M=3.28), inadequate working tools (M=4.02) role conflict (M=2.87) and poor hiring practices (M=3.22).

The factors with a mean greater than 3.6 but less than 4.5 were fairly influencing turnover. The factors that were found to be fairly influencing turnover were unmet expectations about the job (M=3.98), lack of satisfaction with the job (M=4.01), lack of recognition for work done (M=3.89), lack of flexibility in the job (M=4.21), involvement in the job (M=4.09), incentives and rewards (M=3.98), nature of the job (M=3.82), lack of job security (M=3.78), lack of supervisory support (M=3.72), poor working environment (M=4.02), job stress (M=4.04), lack of a clear job description (M=3.77), workload (M=3.72), work life balance (M=3.61), poor managerial style (M=3.72), lack of equal pay for equal work done (M=3.72) ,pay and benefits in the organization (M=3.62), training and development opportunities (M=3.77, level of education (M=3.99), presence of external opportunity (M=4.01), macroeconomic environment (M=3.88) and globalization (M=3.77).

The factors with a mean greater than 4.6 would be termed as extremely influencing turnover. There was no mean score greater than 4.6 hence it can be extrapolated that none of the factors listed above were perceived to be extremely influencing turnover.

The standard deviation was also used to analyze the responses. The higher the standard deviation, the higher the level of dispersion among the respondents. The standard deviation for all the factors listed was less than one meaning there was general consensus by the respondents. A standard deviation of more than one would mean there was no consensus among the respondents.

4.3.2: Consideration of changing their job

The researcher also requested the respondents to indicate whether they considered changing their jobs. This was aimed at measuring the employees organizational commitment. Research findings by the Harvard Business School (2000) and cited in Birt et al. (2004) indicate that, despite the high levels of current commitment to both the organization and the job, high performing employees turnover is market driven.
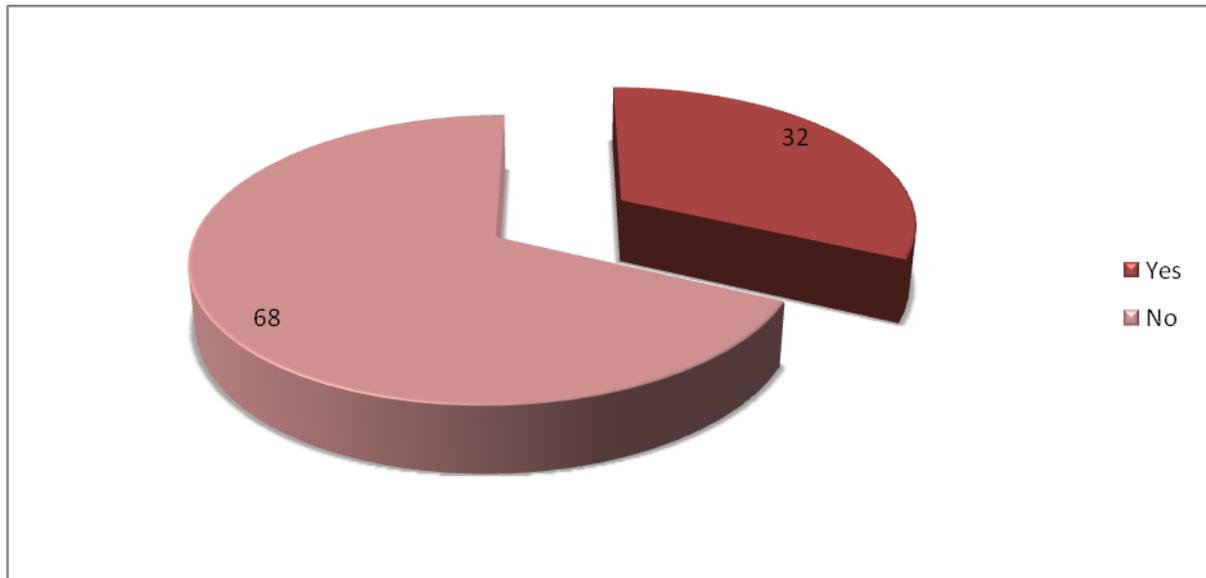

Figure 4.3. 4: Consideration of quitting current job

Figure 4.3.4 shows the response on whether the respondents considered quiting their job. From the findings 68% of the respondents indicated that they did not consider quiting their current job while the rest of the respondents (32%) indicated that they considered quiting their current job.

The respondents were asked to list the top three things about their organization that would influence their decision to quit the most. This was meant to measure the employees perception of their job and organization as a whole. Perception has been shown to be influenced by factors such as ones needs and desires, personality, mood and experiences Carterette & Fieldman 2008). The respondents who indicated that they would consider changing their jobs indicated that they would do so because of their medical cover which did not include their nuclear family, transportation of workers was a problem, there were no clear job descriptions, poor pay increase and merit guidelines, long working hours, lack of

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flexibility on the job and lack of job security. Further they indicated that a better paying job and opportunities for personal growth would make them move from their current jobs.

The respondents who indicated that they would not change their jobs added that this was because in SDV Transami, they had freedom of expression, there was honesty and transparency, there was equal treatment for employees doing similar jobs, the working environment was good, grievance handling procedure was good and there was recognition for the work done.

4.5 Factor Analysis

Factor analysis is a multivariate statistical method that yields the general relationship between variables by showing multivariate patterns that may help to classify the original data. It also enables the distribution of resulting factors to be determined. Fifteen statements were considered in this study. The 15 statements were included in the factor analysis because they were thought to relate to the constructs which the researcher intended to measure. Factor analysis using Principal Component Analysis (PCA) was conducted to reduce the data and to develop the convergent vailidity of meaningful constructs. In order to determine the number of factors to be used, the variance co-variance of the variables were computed. Then, the eigen value and eigen vectors were evaluated for the the variance covariance matrix and the data was transformed into factors. Further, the factor scores which were obtained were used to arrive at the regression model.

4.6 KMO Test

The Kaiser-Meye-Olkin (KMO) measure of sampling adequacy and the Barlett's test of sphericity results are displayed in table 4.2 below:

Table 4.2: KMO and Barlett's Test

Test	Statitic	P - Value
KMO Measure of Sampling Adequacy	0.711	-
Bartlett's Test of Sphericity	23.980	0.00

The KMO statistic varies between 0 and 1. A value of 0 indicates that the sum of partial correlation is large relative to the sum of the correlations, indicating diffusion in the pattern

of correlations (hence, factor analysis is likely to be inappropriate). A value close to 1 indicates that patterns of correlations are relatively compact, and so factor analysis should yield distinct and reliable factors. Kaiser (1974) recommends accepting values greater than 0.5 as acceptable. Furthermore, values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb. For these data the value is 0.711, which falls in the range of being good hence the researcher was confident that factor analysis was appropriate for this data.

Bartlett's measure tests the null hypothesis that the original correlation matrix is an identity matrix. For factor analysis to work we need some relationships between variables and if the R-matrix were an identity matrix then all correlation coefficients would be zero. For these data, Barlett's test is highly significant ($p < 0.001$), and therefore factor analysis was appropriate.

Table 4. 3: Factor Analysis on job turnover (Communalities)

	Initial	Extraction
Unmet expectations about the job	1.000	.793
Lack of satisfaction with the job	1.000	.834
Lack of recognition for work done	1.000	.767
Lack of flexibility in the job	1.000	.847
Involvement in the job	1.000	.809
Incentives and rewards	1.000	.754
Position in the organization	1.000	.822
Service is delivered accurately	1.000	.734
Nature of the job	1.000	.769
Lack of job security	1.000	.591
Lack of supervisory support	1.000	.731
Poor working environment	1.000	.829
Job stress	1.000	.802
Inadequate working tools	1.000	.915
Lack of a clear job description	1.000	.819
Role conflict	1.000	.769
Workload	1.000	.731
Work-life balance	1.000	.773
Poor hiring practices	1.000	.604
Poor managerial style	1.000	.874
Lack of equal pay for equal work done	1.000	.797
Pay and benefits in the organization	1.000	.755
Training and development opportunities	1.000	.692

The above table helps the researcher to estimate the communalities for each variance. This is the proportion of variance that each item has in common with other factors. For example 'working tools' has 91.5% communality or shared relationship with other factors. This value has the greatest communality with others, while 'job security' has the least communality with others of 59.1%.

Table 4. 4: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.306	36.115	36.115	8.306	36.115	36.115
2	2.923	12.709	48.824	2.923	12.709	48.824
3	2.319	10.083	58.907	2.319	10.083	58.907
4	1.595	6.936	65.843	1.595	6.936	65.843
5	1.474	6.407	72.250	1.474	6.407	72.250
6	1.191	5.178	77.428	1.191	5.178	77.428
7	.944	4.105	81.533			
8	.842	3.663	85.195			
9	.687	2.985	88.181			
10	.503	2.188	90.369			
11	.458	1.991	92.359			
12	.342	1.485	93.845			
13	.308	1.340	95.185			
14	.295	1.285	96.470			
15	.218	.949	97.419			
16	.176	.765	98.184			
17	.125	.543	98.727			
18	.112	.486	99.213			
19	.074	.321	99.533			
20	.053	.230	99.763			
21	.034	.148	99.911			
22	.017	.076	99.987			
23	.003	.013	100.000			

In the above table, the researcher used Kaiser Normalization Criterion, which allows for the extraction of components that have an Eigen value greater than 1. The principal component analysis was used and six factors were extracted. As the table shows, these six factors explain 77.42% of the total variation. Factor 1 contributed the highest variation of 36.115%. The contributions decrease as one move from factor one to the other up to factor six.

The corresponding eigen values for the components are given here under.
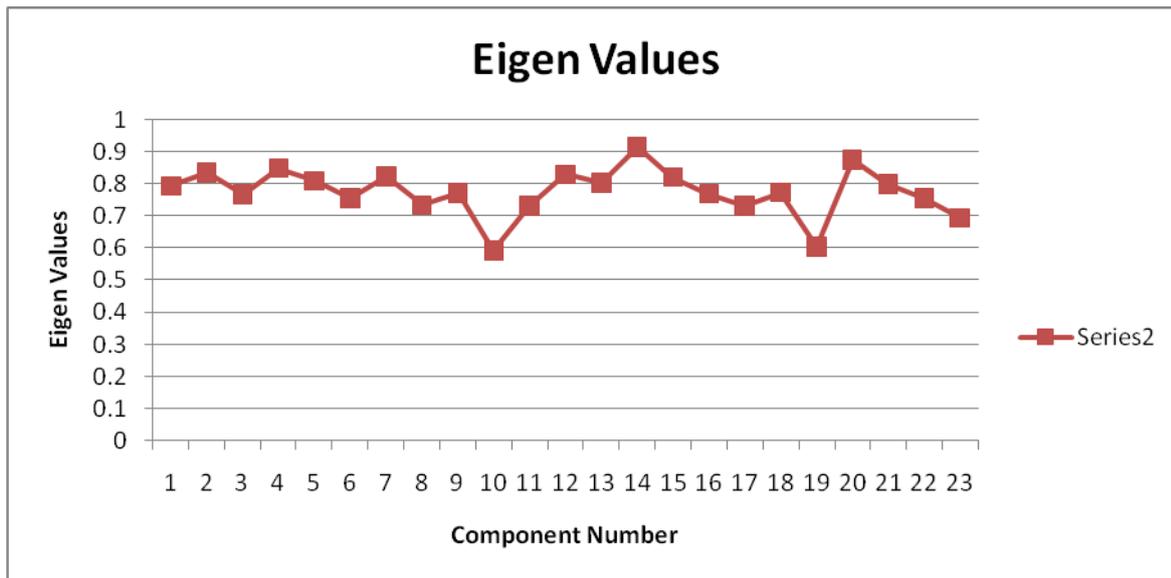
The initial component matrix was rotated using Varimax (Variance Maximization) with Kaiser Normalization. The above results allowed the researcher to identify what variables fall under each of the 6 major extracted factors. Each of the 23 variables was looked at and placed to one of the six factors depending on the percentage of variability; it explained the total variability of each factor. A variable is said to belong to a factor to which it explains more variation than any other factor. From the above table, the individual variables constituting the six factors extracted are summarized and identified below:-

Factor 1: Intrinsic factors of Job Satisfaction

Job satisfaction is a psychological factor described as a collection of positive and/or negative feelings that an individual holds towards his or her job. Intrinsic factors of job satisfaction are those that are associated with the employees' job and are within the management's control. It was observed that the intrinsic factors of job satisfaction influence up to 36.115% of the total variability. The following variables are all predominantly influenced by intrinsic factors of Job Satisfaction that affect rate of job turnover.

Unmet expectations about the job, Satisfaction with the job, Recognition for work done, Flexibility in the job, Incentives and rewards, Position in the organization, Lack of job security, Lack of supervisory support, Poor working environment, Job stress, Inadequate working tools, Lack of a clear job description, Workload, Work-life balance, Poor hiring

practices, Poor managerial style, Equal pay for equal work done and Training and development opportunities.

Factor 2: Economic Factors affecting rate of employee turnover

Economists view the employee's decision, whether he wants to leave or stay, as a result of a rational cost-benefit assessment (Mueller & Price, 1990). Economic determinants include pay, training and company size. Economic factors affecting rate of employee turnover explain up to 12.709% of the total variability. The following variables are influenced mainly by economic factors that affect rate of turnover:

i.   Pay and benefits in the organization
ii. Involvement in the job

Factor 3: Sociological Factors

Role conflict is a type of social conflict caused from an individual being forced to take on separate and incompatible roles. Role conflicts can occur individually, as in the case of one person being torn between separate roles for different organizations or groups, or within an organization, when an individual is asked to perform multiple roles in the same group. Role conflict is explained significantly by sociological factors that affect rate of employee turnover. These factors influence up to 10.083% of variations in rate of employee turnover

Factor 4: External factors

External factors are those factors that are out of the organizations control and include factors such as external opportunity, macroeconomic environment and globalization. These factors explain up to 6.936% of total variance in rate of job turnover.

Factor 5: Job Description Factors

A job description sets out the purpose of a job, where the job fits into the organisation structure, the main accountabilities and responsibilities of the job and the key tasks to be performed. The job description factors are seen to influence the variable nature of the job significantly giving explaining variations of up to 6.407% in the rate of employee turnover

Factor 6: Demographic Factors

Demographic variables are also known as personal characteristics and are widely used in turnover research (Price, 1995). Despite a wealth of research, there appears 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. Therefore it was observed that demographic factors explained 5.178% of the total variability.

Table 4. 5: Component Matrix

	Component					
	1	2	3	4	5	6
Unmet expectations about the job	.657	-.297	-.471	.133	.183	-.002
Lack of satisfaction with the job	.570	-.435	-.541	.635	-.094	.533
Lack of recognition for work done	.717	.390	-.210	.062	.654	-.222
Lack of flexibility in the job	.561	.477	-.534	.535	.513	-.073
Involvement in the job	.366	.546	.569	.068	-.117	-.185
Incentives and rewards	.684	.737	.074	-.081	.374	.322
Position in the organization	.628	.425	-.180	.615	.215	-.183
Nature of the job	.499	-.083	.781	.295	.608	.655
Lack of job security	.552	.378	-.214	-.309	-.019	.044
Lack of supervisory support	.626	.699	.012	.471	-.226	-.236
Poor working environment	.570	-.337	.523	.535	-.223	-.067
Job stress	.740	-.340	-.090	-.236	-.044	-.271
Inadequate working tools	.709	-.334	-.161	-.257	.613	-.403
Lack of a clear job description	.521	-.478	.443	-.210	.225	-.570
Role conflict	.238	.504	.632	.215	.788	-.063
Workload	.635	.018	.484	.578	.244	-.047
Work-life balance	.710	-.121	.839	-.286	-.234	.645
Poor hiring practices	.575	.502	.397	-.084	-.536	-.108
Poor managerial style	.640	.326	.244	-.208	-.452	.223
Lack of equal pay for equal work done	.700	-.290	.572	.511	-.456	.100
Pay and benefits in the organization	.409	.574	-.191	.267	-.025	.787
Training and development opportunities	.654	-.330	-.119	.564	-.183	.687

Component 1 loads highly with the factors; training and development opportunities; incentives and rewards; position in the organization; nature of the job; lack of job security; lack of supervisory support; poor working environment; job stress; inadequate working tools; lack of a clear job description; role conflict; workload; work-life balance; poor hiring practices; poor managerial style and lack of equal pay for equal work done.

Component 2 loads highly with: lack of flexibility in the job; involvement in the job; incentives and rewards; role conflict; poor hiring practices; pay and benefits in the organization and lack of supervisory support.

Component 3 loads highly with the factors; involvement in the job; nature of the job; role conflict; poor working environment and; lack of equal pay for equal work done.

Component 4 loads highly with; lack of satisfaction with the job; lack of flexibility in the job; position in the organization; workload and training and development opportunities.

Component 5 loads highly with; poor hiring practices; lack of flexibility in the job; position in the organization; nature of the job; inadequate working tools; role conflict and lack of recognition for work done.

CHAPTER FIVE: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the objective which was to determine the factors perceived to be influencing employee turnover in SDV Transami.

5.2 Discussions of Key Findings

The respondents of this study were obtained from each of the 17 departments in SDV Transami. From the respondents sampled, majority were male while the rest were female. From these findings, it was extrapolated that majority of the employees in SDV Transami were male. A few of the respondents were aged between 41 and 50 years, a slightly higher number were aged between 20 and 30 and the highest number of respondents were aged between 31 and 40 years hence it was deduced that majority of the staff were aged between 31 and 40 years.

From the responses received, all of the factors influenced turnover to a fair extent. None of the factors extremely influenced turnover. The factors that were found to have a neutral effect on the turnover were position in the organization, accurate service delivery, inadequate working tools, role conflict and poor hiring practices. The factors that were found to be fairly influencing turnover were 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, incentives and rewards, nature of the job, lack of job security, lack of supervisory support, poor working environment, job stress, lack of a clear job description, workload, work life balance, poor managerial style, lack of equal pay for equal work done, pay and benefits in the organization, training and development opportunities, level of education, presence of external opportunity, macroeconomic environment and globalization.

The employees rating of the overall organization performance yielded results where majority of the respondents indicated that SDV Transami had effective communication, good working practices, departmental cooperation was promoted, equal opportunities in regard to age, race, gender and disabilities was demonstrated and inter departmental cooperation was promoted.

The study also found that in SDV Transami, employees were happy that the salary was always on time and there was adequate exposure on the job.

The respondents were asked whether they considered changing their current jobs and from the findings more than three quarter of the respondents indicated that they would not change their jobs while the rest indicated that they would change their jobs. The respondents who indicated that they would change their jobs indicated that they would want to improve their career. Further they indicated that a better paying job would make them move from their current jobs. They also indicated that unmet expectations about the job, lack of satisfaction with the job, lack of recognition for work done, Lack of flexibility in the job, incentives and rewards, position in the organization, lack of job security, lack of supervisory support, poor working environment, job stress, inadequate working tools, lack of a clear job description, workload, work-life balance, poor hiring practices, poor managerial style, equal pay for equal work done and training and development opportunities would influence their decision to leave the organization.

The study established that economic factors affecting rate of employee turnover explain up to 12.709% of the total variability. Economic factors influencing turnover were pay and benefits in the organization and involvement in the job. Role conflict is explained significantly by sociological factors that affect rate of employee turnover which influenced up to 10.083% of variations in rate of employee turnover. Age and tenure where the demographic factors which were examined to have a direct impact on intention to leave. Therefore it was observed that demographic factors explained 5.178% of the total variability.

5.3 Conclusion

None of the listed factors were perceived to be extremely influencing employees' turnover. The factors that were found to be fairly influencing turnover were 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, incentives and rewards, nature of the job, lack of job security, lack of supervisory support, poor working environment, job stress, lack of a clear job description, workload, work life balance, poor managerial style, lack of equal pay for equal work done, pay and benefits in the organization, training and development opportunities, level of education, presence of external opportunity, macroeconomic environment and globalization. Other factors that came out from the survey that would

influence employees decision to quit include the current medical cover which does not include the employees nuclear family, lack of transport to and from work, poor pay increase and merit guidelines and better pay packages.

5.4 Recommendations

From the findings the study found that one of the major factors that was influencing turnover in SDV Transami was the medical cover currently in place. The respondents indicated that they consider changing their jobs because their medical cover did not include their nuclear family. This study therefore recommends that SDV Transami and other organizations in similar industries should consider revising their medical cover to include employees nuclear families.

The study also found that there were no clear job descriptions and this would make employees consider changing their jobs. This study therefore recommends that the management of SDV Transami should ensure there are clear job descriptions for their employees.

The study also revealed that there was a lack of flexibility in the jobs especially in the Airfreight and Finance departments. This study makes a recommendation that the management of SDV Transami should train its supervisors and managers on promoting work-life balance without affecting the operations.

The study revealed that the pay and merit increase practice currently in place was considered inadequate by a majority of the respondents. SDV should consider doing a salary survey and benchmark itself with other companies in the industry. The organization should also look into their performance management and craft compensation packages that are considered competitive in order to retain its talented workers.

5.5 Recommendations for further research studies

From the study and related conclusions, the researcher recommends further research in the area of the role of economic factors in influencing job turnover in organizations in Kenya. Further researcher studies should be done on the role of Salary and rewards on job turnover in organizations in Kenya.

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