

**THE IMPACT OF HIGH STAFF TURNOVER ON PRODUCTIVITY: A CASE
OF TELKOM KENYA LIMITED.**

BY

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**A RESEARCH PROJECT SUBMITTED TO SCHOOL OF
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Declaration

I hereby truthfully declare that the above titled research proposal is my original work and that, it has not been presented for the award of a degree in any university.

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Dedication

I dedicate this research proposal to my husband Mr Gift Kirigha, my son Gewona Mshindi Kirigha for their unlimited understanding in allowing me pursue this undergraduate degree program and for their prayers and support.

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I would like to acknowledge all who supported me during my studies without whom I wouldn't be where I am today.

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Abstract

This research project seeks to determine the factors behind the exceptionally high employee turnover rates at Telkom Kenya Limited. For a long time now, the Telkom Kenya Limited has been characterised by high numbers of employees opting to abandon their jobs. This translates negatively on the various companies in this crucial industry as they constantly have to spend significant amounts of resources on hiring new employees to replace the ones who have left.

This is a costly procedure that is consuming potential profits for the company. This project will identify the main reasons as to why more employees are quitting their job. To do this, the research will focus on getting vital insights from past employees at Telkom Kenya Limited. The decision to settle on this target population was based on the need to promote honesty in the responses provided.

The research project will also incorporate a comprehensive review of past literature on this topic. This will introduce the perceptions and opinions of other past researchers into the study. Moreover, these past researchers will contribute towards the topic through their literature. The quantitative research method will be utilized in this project to help further comprehend the research question. An ontology approach will also be adopted since human nature plays a major role in influencing the behaviour of employees at Telkom Kenya Limited. In the end, three factors were determined to cause the high employee turnover rates in this sector. They include; low levels of employee motivation, inadequate wages and finally, work-life balance. These three factors have to be adequately addressed to boost the employee retention rates at Telkom Kenya Limited. The research project has outlined a variety of recommendations that should be considered to make this happen, including, regular periodic training, better wages, employee recognition and much more.

CHAPTER 1

1.0 Introduction

This chapter gives a brief introduction of the research study; it will focus on the background of the research study; statement of the problem, objective of the study, research questions significance of the study and limitation of the study and final the importance of employee morale in an organization.

1.1 BACKGROUND OF THE STUDY

Workers Morale is a state of mind which involves feelings and emotions. Created within each employee, it is often considered an elusive quality. It involves the attitude and perception towards the job, work environment, team members, managers and the organization on a whole. Positive employee morale is usually exhibited by confidence, discipline and willingness to perform. This research study aims at investigating the effects of high staff turnover rate on the workers morale at Telkom Kenya Limited. Specifically, the study seeks to investigate on the effects of high staff turnover on the clients and the company's sales Theoretical and empirical studies will be reviewed to assess the factors likely to affect employee retention The study will adopt descriptive research survey, A sample size of 324 employees will be taken for the research study, representing 20% of an entire population of 1623. Data for the study will be collected primarily through semi-structured questionnaire. The study will adopt descriptive statistics analytical techniques to analyze the variable. This strategy is proposed because it allows the collection of a large amount of data from a sizable population in an economical manner. Findings would be reported in the form of tables and figures and appropriate recommendations given.

1.2 Importance of employee morale in an organization.

Employee Surveys, 2012. A company's work force is one of its greatest resources. Without employees, companies would not be able to implement strategies or realize growth. It's important for employers to take care of their work force and foster high morale so that they can keep their organizations running smoothly. Morale is the spirit

of an organization, and it manifests either positively or negatively among employees, teams and entire departments.

According to Spears, 2004 here are the reasons why staff morale can have such an impact on the organization.

1. Improved productivity

When staff morale is high, everyone works well. Productivity in general improves when the staff love to come to work. You'll find that some people will arrive early or stay late without expecting rewards, just because they love being at work and enjoy the tasks. If you want an effective workplace with high levels of productivity, work towards making your staff enjoy the workplace.

2. Improved performance and creativity

Individuals perform better when the staff morale is high. Try holding a brainstorming meeting to solve a problem on a project when staff morale is high and you will be amazed at how quickly creative solutions arrive. Hold the same meeting among a team of depressed, bored, or inattentive workers, and you will find the meeting drags on with no answer to the problem.

3. Reduced number of leave days

A big cost to any business is the number of leave days staff take. If your morale is low, it is easier to take a single day off instead of dragging yourself into the workplace. Positive staff morale cuts back on sick and leave days as staff enjoy the work, want to attend and are less inclined to let down the team. When someone is sick or on leave, you have to pay for the person's leave, the replacements and the corresponding loss in productivity.

4. Higher attention to detail

When staff enjoy the work, people will pay attention to what they are doing. When morale is low, people are more likely to become distracted, make mistakes or work slower.

5. A safer workplace

People pay attention to safety rules when staff morale is higher. With less distraction and greater focus on the task at hand, accidents are generally reduced.

6. Increased quality of work

Finally, the work itself becomes a higher quality when people enjoy what they are doing. Staff members with high morale produce work with higher quality than staff with a low or negative morale.

1.3 Telkom Kenya.

Telkom Kenya is the sole provider of landline phone services in Kenya. The company has 1,623 employees, about 400 are support staffs, 188 are classified as commercial staff, while the remainder are technical staff. It was previously a part of the Kenya Posts and Telecommunications Corporation (KPTC) which was the sole provider of both postal and telecommunication services. In 1999 KPTC was split into the Communications Commission of Kenya (CCK), the Postal Corporation of Kenya (POSTA) and Telkom Kenya.

The company operates and maintains the infrastructure over which Kenya's various internet service providers operate. As of 2004, most internet service was provided via dial-up service. Jambonet, an important Kenyan ISP, is a subsidiary of Telkom Kenya. It also offers mobile GSM voice and high speed internet services under the Orange Kenya brand, in which it is the 3rd in market share after Safaricom and Airtel Kenya.

Vision

Connecting the people that make Kenya move.

Mission

To provide the best value for a simpler life, efficient business and stronger communities.

Values

- Integrity

- Customer-centricity

- Innovation

- Teamwork
- Empowerment

In 2007 France Telecom (now Orange S.A.) acquired 51% of Telkom Kenya's shares at a cost of US\$390 million. In November 2012, the shareholding structure changed due to a decision

by the Kenyan government to convert its shareholder loans into equity in order to ease Telkom Kenya's debt burden. It was subsequently confirmed that the Kenya government would retain 40% shareholding down from 49% with the remaining shares held by France Telecom. In January 2013, France Telecom increased its stake in Telkom Kenya to 70% as a consequence of the government's failure to provide its full portion of 2012 funding

On November 9, 2015, Helios Investment Partners announced that they were going to purchase France Télécom's entire stake in Telkom Kenya.

Subsequent to the agreement to buy, Helios negotiated with the Kenyan government to own 40 percent in the new joint venture, with the investment firm retaining 60 percent. In June 2016, final regulatory approval was received for the deal to proceed.

1.4 Problem Statement.

In any organization, people are the most important resource. They are the engine that drives productivity and results and therefore their sense of morale and motivation will impact the company's success

Lack of employee Morale is sighted at the Telkom Kenya Limited a costly indicator of low morale is high turnover rate, increased absenteeism and not meeting their deadline in their workforce and stress. employees leave the company because they are not happy with their jobs and have few external reasons to stay.

This study therefore seeks to find out the impacts of high staff turnover on the morale at the Telkom Kenya Limited and measures which can be taken to address this problem.

1.5 Objectives of the study

The objectives of the research are

1. To find out the effects of high staff turnover on the workers morale
2. To find out effects of high staff turnover on the clients
3. To find out the effects of high staff turnover on the company sales

1.6 Research Questions

The research questions are

1. What are the effects of high staff turnover at Telkom Kenya Limited?
2. What are the views of the employees in the company?
3. What are the views of clients seeking there services?
4. How does organizational commitment influence satisfaction of employees at Telkom Kenya Limited?

1.7 Significance of the study

The research findings will provide answers to the fundamental questions of why employees stay and what would cause them to leave and help the company formulate appropriate retention policies and strategies to enhanced employee satisfaction and company performance and productivity.

1.8 Limitation of the study.

The research is only carried out at Telkom Kenya Limited and the findings may not apply to other telecommunication industries in Kenya.

CHAPTER TWO

2.0 Introduction

The chapter provides a review of available literature in the area of employee turnover and motivation. The first part of the chapter begins with a review of literature on concepts/theoretical framework, defining turnover, retention and motivation. This is followed by the discussion on factors affecting employee turnover, factors affecting employee retention and customer loyalty. Thereafter follows a discussion on employee turnover and retention in profit organizations. The chapter ends with identification of problem areas and research gaps in the context of employee turnover and retention in profit sector

2.1 Theoretical Review

2.2.1 Models of employee turn over

a. Griffith et al.'s Turnover Model

Employee retention is recognized as an important subject of inquiry by researchers. The Harvard Business Essentials (2002) defined retention as the converse of turnover being voluntary and involuntary. Retention activities may be defined as a sum of all those activities aimed at increasing organizational commitment of employees, giving them an overall ambitious and myriad of opportunities where they can grow by outperforming others (Bogdanowicz & Bailey, 2002). It is a voluntary move by an organization to create an environment which engages employees for a long term (Chaminade, 2007). Literature has overwhelmingly proved the importance of retaining valuable workforce or functional workforce for the survival of an organization (Bogdanowicz & Bailey, 2002). Mak and Sockel (2001) noted that retaining a healthy team of committed and productive employees is necessary to maintain 19 corporate strategic advantage. Hence, organizations must design appropriate strategies to retain their quality employees. Empirical studies (e.g. Harris, 2000; Kinnear & Sutherland, 2000; Maertz & Griffeth, 2004; Meudell & Rodham, 1998) have explained that factors such as competitive salary, friendly working environment, healthy interpersonal relationships and job security were frequently cited by employees as key motivational variables that influenced their retention in the

organizations. Two factor theory propounded by Herzberg et al. (1959) is an important theory that explains what satisfies or dissatisfies employees and hence, serves as an important framework for employee retention. Herzberg et al. (1959) proposed a two-factor theory or the motivator-hygiene theory. According to this theory, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. The opposite of “Satisfaction” is “No satisfaction” and the opposite of “Dissatisfaction” is “No Dissatisfaction”,

b. Herzberg’s Satisfaction- Dissatisfaction Continuum

Herzberg et al. (1959) classified these job factors into two categories:

1. Hygiene Factors

Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent or if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment scenario. The hygiene factors symbolize the physiological needs which the individuals want and expect to be fulfilled. Pay or salary is the first and foremost hygiene factor. Pay structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain. The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc. The employees should be offered health care plans (mediclaime), benefits for the family members, employee help programmes, etc. The physical working conditions should be safe, clean and hygienic. The work equipments should be updated and well-maintained. The employees’ status within the organization should be familiar and retained. The relationship of the employee with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present. The organization must provide job security to the employees.

2. Motivator Factors

According to Herzberg et al. (1959), the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolize the psychological needs that are perceived as an additional benefit. Motivational factors include recognition, i.e., the employees should be praised and recognized for their accomplishments by the managers. Also, the employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job. There must be growth and advancement opportunities in an organization to motivate the employees to perform well. The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability. The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated. Understanding the different dimensions of a job that may increase satisfaction or, at least, reduce dissatisfaction would be the very first step towards designing a strategy for retention of quality staff (Raju, 2004). Ewen et al. (1966) used Herzberg's theory for testing job satisfaction. Maidani (1991) used the two factor theory for comparing the job satisfaction amongst employees of public and private sectors. In another study, Herzberg's theory was used for studying business student satisfaction (Oscar et al., 2005). Maddox (1981) used Herzberg's theory to study consumer satisfaction. In the context of employee turnover and retention, the framework of Job Context and Job Content has been used by researchers for studying the reasons why an employee leaves the organization he/she is working for. (Randall et al., 1983) Job-Content factors are those factors for which the individual is responsible. In other words, those factors that are internally controlled such as achievement, responsibility and the quality of work itself, are termed job-content factors. Job-Context factors are those factors, which are externally controlled – that is the organization is responsible for controlling those factors. Such factors include job security, salary, benefits, promotions etc. This framework has been used by many researchers in studies conducted earlier, such as for studying the quality of work life of Canadian nurses (Baba and Jamal, 1991) as well as for studying the job satisfaction amongst engineers and assemblers (Armstrong, 1971). Interactive effect of job

content and context on the reactions of layoff survivors has been explored by Brockner et al. (1993).

2.2 Factors Affecting Employee Turnover

There are two major reasons why turnover is a central issue in the field of HRM across the globe.

First, turnover is related to low organizational knowledge, low employee morale, low customer satisfaction, high selection costs, and high training costs (Staw, 1980; Talent Keepers, 2004). Research has also shown that high employee turnover is related to lower organization performance (Glebbeek & Bax, 2004; Huselid, 1995; Phillips, 1996).

Second, the decision to turnover is often the final outcome of an individual's experiences in an organization (Hom & Griffeth, 1995). Accordingly, many studies have used turnover as a criterion to evaluate the effectiveness of various organizational processes, such as selection (Barrick & Zimmerman, 2005; Meglino et al., 2000), training (Glance et al., 1993) and coaching/ mentoring (Lankau & Scandura, 2002; Luthans & Peterson, 2003; Payne & Huffman, 2005). Thus, understanding the factors that influence turnover gives organizations the opportunity to reduce selection and training costs, increase employee morale and customer satisfaction, and enhance organizational productivity.

The study of turnover has a rich theoretical history in which multiple models have been advanced to understand this complex decision (Hom & Griffeth, 1995). Most of these models are based on the premise that if an individual is unhappy with a job and finds another job, s/he is likely to leave the current job (Lee, et al., 2004). Thus, the focus of most turnover models is on job attitudes (job satisfaction or job commitment) as the primary drivers of turnover (e.g. March & Simon, 1958). Second reason is that human resources are the backbone of an organization (Gerhart & Milkovich 1990, Pfeffer 1998). Moreover, the continuing prosperity of a firm is likely to be enhanced by employees who hold attitudes, value and expectations that are closely aligned with the corporate vision (Borman & Motwidlo, 1993; Cable & Parsons, 2001; Feldman, 2003; Spector, 1997).

It implies that hiring capable people is an attractive point of departure in the process, but building and sustaining a committed workforce is more likely to be facilitated by the employment of sophisticated HRM infrastructure (Schuler & Jackson 1987, Beechler et al., 1993). Arguably, HRM policies and practices can be strategically designed and installed to promote desirable employee outcomes, which include the enhancement of the in-role and extra-role behaviors of employees. Yet, despite such costly investments, corporations are continually searching for techniques to improve and cement the linkage between employees and their organizations. With proper implementation, these techniques often facilitate a more committed workforce.

Since turnover warrants heavy replacements and training expenses, organizations are now recognizing employee retention as an important issue that merits strategic attention (Glen, 2006). Several studies based on western research (e.g. Boxall et al., 2003; Iverson & Buttigieg, 1999; Malhotra et al., 2007; Meyer & Allen, 1991; Meyer & Smith, 2000; Mowday et al., 1982; Mueller & Price, 1990), have shown that work-related factors are major determinants of job satisfaction, organizational commitment and turnover intentions among employees. Griffeth et al. (2000) have concluded from their studies that when high performers receive inadequate remuneration/rewards, they look out for alternative employment. Mobley et al. (1979) noted that age, tenure, overall satisfaction, job content, intentions to remain on the job and commitment were all negatively related to turnover.

It is quite evident from the review of past researches that intention to stay/quit, job satisfaction and organizational commitment were among the most consistent, close and commonly researched determinants of employee turnover (Amah. O.E., 2009; Mosadeghrad et al, 2008; Ramachandran et al., 2011 among others). Job satisfaction has been acknowledged as the most common antecedent of employee turnover (e.g. Griffith et al. 2000; Lum et al., 1998; Murray & Smith, 1988). Job satisfaction is defined as how people feel about their jobs and different aspects of their jobs (Spector, 1997). Price and Mueller (1986) analyzed the determinants of turnover and identified job satisfaction as the most important factor. Meta-analytic research by Hom and Griffeth (1995) showed that job satisfaction is a significant predictor of turnover, with overall job satisfaction explaining more variance than the sub-dimensions of job satisfaction itself like satisfaction with the work itself, satisfaction with coworkers and, satisfaction with the supervision etc. considered individually.

Later, Griffith et al. (2000) reaffirmed that the turnover process is indeed caused by job dissatisfaction. Job satisfaction and attrition are strongly linked (Billingsley & Cross, 1992; Gersten et al., 2001; Whitaker, 2000).

An employee who is satisfied with his job would perform his duties well and be committed to his job, as well as the organization (Awang & Ahmad, 2010). On the other hand, researchers like Ahuja et al. (2001) have opined that if employee does not feel satisfied with the job, he will blame the organization and thus possess a lower commitment to the job and is therefore, likely to leave sooner or later. This view finds ample support in the literature. Several recent researchers (e.g. Falkenburg & Scyns, 2007; Summer & Niederman 2004; Rajendran & Chandramohan, 2010) have upheld the traditional hypotheses that job satisfaction has a significant negative impact on employee turnover. Job satisfaction plays an important role in determining turnover of employees (Mudor & Tooksoon, 2011).

High job satisfaction leads to low turnover. In general, dissatisfied workers are more likely to quit than those who are satisfied. Delfgaauw (2007) suggested that self-reported level of job satisfaction is a good predictor for job mobility and employee attrition. Thus, frequent satisfaction surveys act as smoke detectors and help in uncovering potential turnover intentions. Apart from job satisfaction, organizational commitment too has been frequently related to turnover (Bluedorn, 1982; Mobley 1977; Price, 1977). Griffith et al. (2000) identified lack of commitment as an important precursor to employee quit process.

Previous research supports the idea that attitudes related to organizational commitment are strongly associated with turnover (Dunham et al., 1994; Newton, et al., 2004; Somers, 1995). Organizational commitment is found to be strongly negatively related to both turnover intention as well as actual turnover (Addae et al., 2006; Addae & Parboteeah, 2006; Goldman et al., 2008; Wright & Bonnet, 1997; Zhao et al., 2007). Lacity (2008) and Tang et al. (2004) concluded that organizational commitment is one of the significant factors that impact turnover intention. Griffith et al. (2000) who identified job satisfaction as a possible antecedent of turnover noted that organizational commitment was a better predictor of turnover than even job satisfaction. Elangovan (2001) too supports this view. He opined that commitment had a very strong negative effect on turnover.

Committed employees have been found to be less likely to leave an organization than those who are uncommitted (Angle & Perry, 1981). Samad (2006) also found organizational commitment to be negatively correlated with turnover intentions. Other important causes of turnover include limited career and financial advancement, organizational climate, and work–family conflict (O’Leary & Deegan, 2005; Stalcup & Pearson, 2001). Aggarwal and Bhargava (2009) have investigated how aspects of compensation strategies are related to various key organizational variables such as psychological contract, affective organizational commitment, and turnover intention. Many of the respondents of the study conducted by O’Leary and Deegan (2005) reported that they left the industry because of the incompatibility of work and family life and that the incompatibility hampered their advancement in the industry. Stalcup and Pearson (2001) reported that long working hours and regular relocation are additional reasons for telecommunication management turnover, but participants in their study emphasized that the primary concern regarding work time was not having to spend too much time on work, but not having enough time to spend with family.

Other variables that cause employee turnover include;

- Heavy workloads and work stress (Ramrup & Pacis, 2008) .
- Insufficient pay.
- Fringe benefits.
- Job dissatisfaction.
- Poor quality of supervision.
- Availability of better opportunities and possibility of a better offer.
- Personal adjustment to work situation (grievances).
- Sexual harassment.
- Inadequate orientation
- lack of training
- Dead end (no chance for promotion)
- Job insecurity
- Relocation from area
- Health problems and home responsibility were also identified by researchers as primary causes of turnover.

Employee perceptions regarding the family supportiveness of their organization also become reasons to leave the organization (Allen, 2001; Anderson et al., 2002; Thompson et al., 1999). Glance et al. (1997) studied the relationship between turnover and productivity and reported that lower turnover rate is definitely correlated with productivity. Altarawmneh and Al-Kilani (2010) examined the impact of human resource management practices on employees' turnover intentions.

The employees have tendency to change their job when they have poor supervision (Keashly & Jagatic, 2000), do not receive adequate or relevant training (Poulston, 2008) and most important of all, low wage (Martins, 2003). Abdul Rahman et al. (2008) reported that availability of alternative job opportunities had significant positive impact on turnover intentions.

A study of turnover by Boxall et al. (2003) in New Zealand confirmed the view that motivation for job change is multidimensional and that no single factor can explain it. Boxall et al. (2003) found that work-related accident or illness, unhappiness with co-workers, commuting to work, difficult relationship with the supervisor, unrealistic expectations from job, excessive work demands, lack of promotion elsewhere, non-redressal of grievances, work methods, lack of job security, inadequate pay, change of career, work-life demands, lack of training opportunities, non-recognition of employee merit and more interesting work elsewhere may lead to turnover intention resulting into actual turnover.

Khatri et al. (2001) in a study on employee turnover used three groups of factors influencing employee turnover, viz., demographic, uncontrollable and controllable factors. Demographic factors include age, gender, education, tenure, income level, managerial and non-managerial positions. Uncontrollable factors are the perceived alternative employment opportunity and job-hopping.

Controllable factors include pay, nature of work, supervision, organizational commitment, distributive justice and procedural justice. In order to explain the reasons behind voluntary resignation, Arthur (2001) gives a list that includes:

- Incompatibility with corporate values
- Feelings of not being appreciated or valued

- Not feeling part of the company
 - Not knowing how one is doing for lack of feedback
 - Inadequate supervision
 - Lack of opportunity for growth
 - Lack of training
 - Unequal salaries and benefits
 - Lack of flexible work schedules
 - Unsatisfactory relationships at work
 - Too much work and not enough staff
 - Inadequate or substandard equipment, tools, or facilities
- Researchers have opined that there are compelling reasons why a certain level of staff turnover should be encouraged.

When turnover is too low, fresh blood and new ideas are lacking and an organization can quickly find itself turning into an ageing machine, unable to cope with change. Some staff turnover has benefits, and can help increase productivity by ensuring better matches between jobs and workers, as well as offering more flexibility to promote and develop valued staff 27 (Loquercio et al., 2006). It can also allow an organization to adapt to market changes without going through costly layoffs. Certain organizations accept a relatively moderate level of staff turnover because it keeps the organization dynamic (EPN, 2003).

2.3 Factors affecting Employee Retention

Unnecessary employee turnover costs an organization needless expense (Buck & Watson, 2002). Replacements and training expenses have a direct impact on organizational costs, productivity and performance, and as such, an increasing number of organizations are now recognizing employee retention as a key strategic issue (Glen, 2006).

The main purpose of retention is to prevent the loss of competent employees from the organization as this could have adverse effect on productivity and service delivery (Samuel & Chipunza, 2009).

Retention activities may be **defined** as a sum of all those activities aimed at increasing organizational commitment of employees, giving them an overall ambitious and myriad of opportunities where they can grow by outperforming others (Bogdanowicz & Bailey, 2002).

Given the development of new managerial approaches to retention, labor market dynamism, and evolution in research methodology and technology, it is not surprising that turnover continues to be a vibrant field of research despite more than 1500 academic studies addressing the topic. From a managerial perspective, the attraction and retention of high-quality employees is more important today than ever before. A number of trends (e.g., globalization, increase in knowledge work, accelerating rate of technological advancement) make it vital that firms acquire and retain human capital. While there are important differences across countries, analysis of the costs of turnover as well as labor shortages in critical industries across the globe have emphasized the importance of retaining key employees for organizational success (Hinkin & Tracey, 2000). Hinkin & Tracey (2000) noted that even for jobs that do not require high level of skills, a retention strategy can positively affect the engagement, turnover and ultimately financial performance, especially, for positions that involve interaction with customers.

When a significant share of employees only stays for a limited time with a company, that is a pointer towards underlying problems that need to be explored and addressed by determining the most adequate measures. In response, managers have implemented HR policies and practices to actively reduce avoidable and undesirable turnover (Fulmer et al., 2003; Hom et al., 2008; Kacmar et al., 2006; Michaels et al., 2001).

While strategic human resource researchers are still investigating the causal mechanisms between HR practices and organizational performance (Collins & Clark, 2003; Hatch & Dyer, 2004), most include voluntary turnover as a critical component of the equation (Shaw et al., 2005; Ulrich & Smallwood, 2005). To put it differently, the topic of voluntary turnover is a vital bridge between macro strategies and micro behavior in organizations. It is one variable that conceptually connects the experiences of individuals in organizations to critical measures of success for those organizations. Extant literature has so far overwhelmingly

proved the importance of valuable workforce or functional workforce for the survival of an organization (Bogdanowicz & Bailey, 2002). Mercer Human Resource Consulting (2004) advised that turnover costs ranging anywhere from 50 to 150 percent of annual salary, compounded by the skills shortage and the ageing workforce. It has been seen that turnover is accompanied by heavy replacement and training expenses and therefore, organizations need to take a serious relook at the turnover rates and put a replacement strategy in place (Glen, 2006).

Mak and Sockel (2001) noted that retaining a healthy team of committed and productive employees is necessary to maintain corporate strategic advantage. Hence, organizations must design appropriate strategies to retain their quality employees. These strategies may range from lucrative compensation packages to involving employees in every sphere of the functioning of the organization (Mak & Sockel, 2001). Empirical studies (Kinnear & Sutherland, 2001; Maertz & Griffeth, 2004; Meudell & Rodham, 1998;) have revealed that factors such as competitive salary, good interpersonal relationships, friendly working environment, and job security were reported by employees as key motivational variables that influenced their retention in the organizations.

Mercer Human Resource Consulting (2004) advised 5 key factors influencing employee commitment and motivation with % age of employees voting for each of the factors as follows :

- i.** Being treated with respect - 85%
- ii.** Work-life balance - 79%
- iii.** Providing good service to others - 74%
- iv.** Quality of work colleagues - 74%
- v.** Type of work - 73%

It is important to recognize the commitment of individuals to an organization, as well as the organization's need to create an environment in which one would be willing to stay (Harris, 2000). It is often believed that an organization is only as good as its people (Templer & Cawsey, 1999).

Organizations failing to retain high performers will be left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive (Rappaport et al., 2003).

Therefore, worldwide, retention of skilled employees has been of serious concern for organizations in the face of ever increasing high rate of employee turnover (Samuel & Chipunza, 2009). Globally, managers admit that one of the most difficult aspects of their jobs is the retention of key employees in their organizations (Litheko, 2008).

In today's competitive world, high-performing employees are looking for more than compensation packages and benefits. More specifically, what the employees nowadays are looking for is interesting work, employer flexibility, feeling valued and having training and advancement opportunities which finally, become the major factors influencing their decision to change jobs (Cunningham, 2002).

Nagaraj (1999) noted that organizations are trying many innovative ways to attract employees to workplace, be it multi-cuisine spread provided at the office, or a multi-gym right at the office premises, or a small crèche where female employees could safely leave their young ones while they work.

The key to preventing employee turnover is to have a positive work environment where employees are recognized and rewarded for good performance, where there is good communication, and where everyone shares in the excitement of being part of a successful organization (Cunningham, 2002). Hausknecht (2008) listed 12 major retention factors that have been published in the literature over the last 60 years which helped in explaining employee retention. The study revealed that job satisfaction, extrinsic rewards, constituent attachments, organizational commitment, and organizational prestige were the most frequently mentioned reasons for staying. Advancement opportunities and organizational prestige were more common reasons for staying among high performers, and extrinsic rewards was more common among low performers.

In my survey which I carried out on Telkom Kenya Organization recruitment, retention and turnover proved that there are top three reasons behind departure with % age of employees, voting for each of the reasons were found out as :

- a. Promotion outside of the organization (53%)

- b.** Lack of development or career opportunities (42%)
- c.** Change of career (41%)

The same research found that the top 8 initiatives taken to improve retention in Telkom Kenya Limited with % age of employees voting for each of the initiatives were:

- i.** Improved employee communication/involvement (57%)
- ii.** Increased learning and development opportunities (49%)
- iii.** Improved induction process (45%)
- iv.** Increased pay (40%)
- v.** Improved selection techniques (38%)
- vi.** Improved benefits (34%)
- vii.** Made changes to improve work-life balance (34%)
- viii.** Improved line management HR skills (32%)

In a report by Deloitte (2004), it was noted that demographic changes show that the number of skilled 15-29 years old entering the job market is steadily contracting, while the population in both developed and developing countries is ageing. This, coupled with rising globalization is increasing the strain on human resources.

The results of the survey showed that attracting and retaining talents are considered as the most critical people issues faced by surveyed organizations. Deloitte Report suggests a 'develop, deploy and connect' approach for retaining the employees. This means developing the skills, not just through formal training but by learning how to learn, where to find the information or action learning supported by coaching and mentoring. Deploying means working with key individuals to

(a) Identify their deep-rooted skills, interests, and knowledge,

(b) Find their best fit in the organization,

(c) Craft the job design and conditions that help them to perform, meaning, finding a fit between the skills and the job. Connecting means providing critical employees with the tools and guidance they need to (i) build networks that enhance individual and organizational performance, and (ii) improve the quality of their interactions with others, thereby helping to develop rich networks, both internal and external.

2.4 Reasons behind turnover in the organization.

In my research of staff turnover at Telkom Kenya Limited I found out the following reasons behind turnover were:

- i.** Planning weaknesses
- ii.** Poor information systems
- iii.** Lack of management support at field level
- iv.** Conflicting atmosphere
- v.** Poor involvement of staff in decision making
- vi.** Lack of transparency in management
- vii.** Stress and burnout
- viii.** Poor management presented as the crucial factor in deciding people to stay

2.5 Negative impact of high turnover rate.

High turnover rates can negatively affect a company and its employees in many ways. With the constant need to hire and train new employees, it is easy to veer from true mission and vision of the organization. By retaining employees, companies can provide a higher caliber workforce that positively affects the bottom line. Telkom Kenya Limited can lower turnover rates by providing adequate training, rewarding employees for a job well done and creating a company culture of trust.

a. Revenue

Employee turnover has a direct impact on company revenue and profitability. For example, according to the "Organization Science" magazine, the estimated cost of a lost employee earning \$8 per hour at a retail chain store is \$3,500 to \$25,000. Aspects contributing to this include hiring expenses, training labor, lost sales and productivity. Obviously, the revenue impact can be much higher depending on the industry, employee's position and wage. If a severance package is paid, this is an expense with no return on investment. Consider, also, management labor costs in placing classified ads, reviewing applications, interviewing and training. Although some companies utilize a job-placement service, this is still an expense. Additional expenses result from lost productivity or a lost customer base.

b. Low Workplace Morale

A high turnover rate can result in low employee moral. This may stem from overworked employees who have had increased workloads and responsibilities due to a lack of an active or trained workforce. New employees are not immune. They too may suffer from low morale as they struggle learning new job duties and procedures. Continuation of this type of work environment can result in the company having a more difficult time attracting and keeping high-quality talent.

c. Deteriorating Product or Service Quality

Lower productivity and sub-par quality of work can result from a disruption in daily operations due to an overall low number of employees or inexperienced employees without complete training. This is especially true in industries where repetition and comfort level play a larger role than innovation. For instance, new hotel clerks may not provide top-tier customer service, as they are unfamiliar with the organization's policies. This could manifest in situations as trivial as providing refunds from broken snack dispensers. Although a seemingly small issue, there could be a sizable impact on customer satisfaction.

d. Reduction in Marketing Return on Investment

Even if marketing expenses remain consistent in efforts to attract new customers, the return on investment is lowered if the company is losing return customers and customer referrals due to inexperienced staff or lower-quality products. This increases the cost of a one-time customer, lowering marketing return on investment.

2.6 Importance of employee retention and motivation.

According to my research retaining a positive and motivated staff is vital to an organization's success. High employee turnover increases expenses and also has a negative effect on company morale. Implementing an employee retention program is an effective way of making sure key workers remain employed while maintaining job performance and productivity.

i. Manage Employee Turnover

Employers implement retention strategies to manage employee turnover and attract quality employees into the organization. Retention programs focus on the relationship between management and their workers. Competitive pay, benefits, employee recognition and employee assistance programs are all a part of a company's attempt to maintain employee satisfaction. Human resources specialists utilize feedback they receive from exit interviews and focus groups to improve employee relations and reduce turnover.

ii. Cost Effective

A company can significantly benefit from employee retention programs because of a direct effect on an employer's bottom line. High turnover can be very expensive. According to the Society for Human Resources Management, "employee replacement costs can reach as high as 50 to 60 percent of an employee's annual salary." Strategies geared towards retaining good workers helps offset employee replacement costs and reduces the indirect costs such as decreased productivity and lost clients.

iii. Maintain Performance And Productivity

Employee retention practices help support an organization's productivity. Recruiting and training new employees takes time. An unfilled position means work is not getting done. Even if a position is filled, there is still a learning curve most employees must overcome before their work becomes profitable. Taking the necessary steps to keep current workers satisfied with their roles will ensure productivity is not interrupted.

iv. Enhances Recruitment

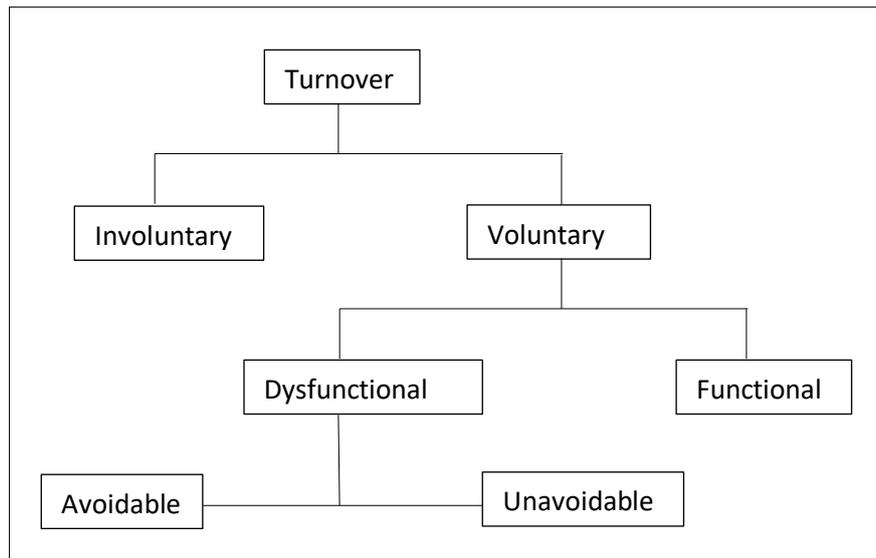
Effective retention strategies often begin during the employee recruitment process. Employees are more inclined to remain with a company that fulfills the promises made when their employment offer was extended. Companies that provide a realistic view of their corporate environment, advancement opportunities and job expectations to new hires can positively influence employee retention.

v. Increases Morale

Employees that enjoy what they do and the atmosphere in which they work are more likely to remain employed with their company. Retention strategies are important

because they help create a positive work environment and strengthen an employee's commitment to the organization. Strategies that target employee engagement, such as team-builders and community involvement, increase company morale and give employees a sense of pride in what they do

2.7 Conceptual Framework of staff turnover.



From the above scenario Though there are many causes for staff turnover in an organization, all of those do have negative impact on well being of an organization. Organizations should differentiate between voluntary and involuntary turnover and take actions on the one under their control. Voluntary turnovers are those caused by the employee out of his/ her own choice (e.g. to take job in other organization for better salary) while involuntary turnovers are because of the decision of management (e.g. dismissal for gross misconduct). In general, all resignations not formally initiated by employers are voluntary resignations (Loquercio et al., 2006). Turnover Involuntary Voluntary Dysfunctional Unavoidable turnover Avoidable turnover Functional Voluntary turnovers are further distinguished into functional and dysfunctional turnovers. Functional turnovers are the resignation of substandard performers and dysfunctional turnovers refer to the exit of effective performers. Dysfunctional turnover is of greatest concern to the management due to its negative impact on the organization's general performance. Dysfunctional turnover could be further classified into avoidable turnover (caused by lower compensation, poor working condition, etc.) and unavoidable turnovers (like family moves, serious illness, death, etc.) over which the organization has little or no influence (Taylor,

1998). A low level of employee turnover is acceptable in any occupation, in that it offsets potential stagnancy, eliminates low performers, and encourages innovation with the entry of new blood. However, high levels of employee turnover lead to low performance and ineffectiveness in organizations, and result in a huge number of costs and negative outcomes (Ingersoll & Smith, 2003). Several researchers have found that high turnover rates might have negative effects on the profitability of organizations (Aksu, 2004; Hinkin & Tracey, 2000 among others). Johnson (1981) viewed turnover as a serious problem having a strong bearing on the quality of products and services and incurring considerable replacement and recruitment costs. Curtis and Wright (2001) opined that high turnover can damage quality and customer service which provide the basis for competitive advantage, thereby inhibiting business growth. Also, it has been observed that people who leave are those who are most talented as they are the ones likely to get an opportunity elsewhere (Hinkin & Tracey, 2000). Turnover often ends up in valuable talent moving to competing entities (Stovel & Bontis, 2002). Therefore, it is only desirable that management should accord special attention to prevent turnover and puts in place a sound strategy for improving staff retention. For most part, voluntary turnover is treated as a managerial problem that requires attention, thus its theory has the premise that people leave if they are unhappy with their jobs and job alternatives are available (Hom & Kinicki, 2001). Therefore, most studies have focused on voluntary rather than involuntary turnover (Wright, 1993). In this study too, only voluntary form of turnover has been considered and discussed. Griffith et al. (2000) conducted a review research on employee turnover and described the most-cited variables that affect turnover. The model developed by them incorporates the factors that explain the turnover process. It includes 18 variables related to both job content and external environment factors that explain turnover. It is generally believed that the process of employees' turnover is the reversed transformation process of employees' retention psychology and behaviors.

2.8 Research gap

Following research gaps were identified after an extensive literature review in the field of employee turnover, specifically in the context of profit organizations, and more particularly in the telecommunication industry:

1. Most of the studies on employee turnover and retention have been undertaken in the context of business organizations. There is not much research work carried out in the context of telecommunication industries in Kenya. Practitioners agree that there is a growing problem related to employee turnover and retention in the profit sector and therefore this area merits serious research attention.
2. The researcher did not come across any Kenyan study available that investigates the reasons as to what factors attract employees to join a profit organization such as communication industries and what factors become the causes for the same set of employees to leave the organization.

2.9 Critical Review.

With regard to past studies conducted it is evident that high employee turnover hurts a company's bottom line. Experts estimate it costs upwards of twice an employee's salary to find and train a replacement. And churn can damage morale among remaining employees. Therefore for employees to function effectively and efficiently then there are strategies that the company can implement to retain the best employees and reduce the likelihood of employees joining the proverbial revolving door.

- **Effective Communication and Morale**

As the owner or manager, you set the tone for employee morale. Don't set up repetitive meetings unless they are truly productive and you are open to suggestions from your employees. For maximum employee engagement, ensure that communication is not a one-way cycle in your company. Make an effort to listen to feedback, such as one-on-one meetings, or anonymous feedback through an effective employee engagement survey, and be ready to act on the feedback you receive. True employee engagement can be a long-term goal and not necessarily achieved overnight.

- **Career Development and Training**

Provide plenty of training opportunities to keep employees interested and in line with professional development standards in the market. Allow for multiple roles

or allocate different tasks to encourage variety and motivation. Set goals for employees or involve them by sitting

- **Provide a Great Work Environment**

Down with them and asking them about their future aspirations with in the organisation.

Base promotions on your employee's performance and cultivate a perception of fairness in career progression. If there are ample opportunities for growth and career progression in your organisation and you have demonstrated to employees that they have long term prospective, then your employees will be more likely to stay on.

Provide an attractive, healthy, and safe work environment for your employees. Make sure furniture and equipment observe occupational health and safety requirements and set up amenities and rest spaces where employees can take time out. Make your office a pleasant place to be.

- **Culture and Respect**

Looking beyond the physical work environment to less tangible factors such as organisational culture, managers and owners should cultivate a culture of respect, teamwork, and mutual collaboration. Encouraging healthy competition between employees may help with morale and motivation. However, this should not be done at the expense of a supportive organisational culture. Line managers should be trained to value and encourage culture and respectfulness.

- **Design the Best Compensation Package**

Tailor compensation packages individually where possible (especially for line manager and executive positions) and review them at least annually. Keep up to date with market salary rates or make sure the HR department is up to speed. Not surprisingly, there is a clear relationship between benefits and turnover rates. Ensure that you provide standard industry benefits, such as disability insurance, flexible hours, or life insurance where appropriate. Always be open to negotiation with valuable employees, and tie pay to performance.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

The chapter focuses on the following sub-sections: Research Design, variables, Target Population, Sampling Technique, Data Collection Procedure, Research Procedure and Data Collection and presentation.

3.1 Research Design

Descriptive research design will be employed to determine the relationship between the dependent and the independent variables and to establish any association between these variables. According to Mugenda (2003), descriptive survey design helps a researcher to gather, summarize, present and interpret information for the purpose of clarification. Statistical instrument to be used for the research analysis will mainly be inferential statistics, specifically correlation matrix and multiple regression analysis. The researcher will employ the survey strategy for the study. This strategy is proposed because it allows the collection of a large amount of data from a sizable population in an economical manner. Saunders *et al.* (2009), recommend this strategy because the method allows researchers to collect quantitative data which can be analyzed quantitatively using inferential statistics. The method is also perceived as authoritative by people in general and is both comparatively easy to explain and to understand.

3.2 Target Population

The target population shall comprise of all the 324 employees at Telkom Kenya Limited Limited.

Table 3.3 Distribution of the Population.

Strata	Frequency	Percentage
Support Staff	50	15.5
Commercial Staff	100	30.8
Technical Staff	174	53.7
Total	324	100

Source: Telkom Kenya Limited (2016)

3.4 Sampling Design

3.4.1 Sampling Technique

Stratified random sampling will be used since the population consists of support staff, commercial and technical staff. Then simple random sampling will be employed to ensure that all employees stand equal chance of being selected to avoid sample bias and ensure that the results are reliable enough to be generalized.

3.5 Data Collection Instrument and Procedure

3.5.1 Data Collection Instrument

Data collection would be done through both primary and secondary resources. In secondary data, information relates to a past period. It will be important to use secondary data in this study as it helps to plan the collection of primary data. Secondary data saves time in enhancing primary data, provides a larger database (usually) than what would be possible to collect on one's own, however there are disadvantages to the fact that the researcher cannot personally check the data so its reliability may be questioned. Secondary data can also be gathered from a number of primary sources and weighed together to put together an overall assessment of what has happened.

On the other hand primary data is a direct report from someone who is actively involved in whatever under research or investigation. The merit of primary data is that it is direct information, uncontaminated by being transmitted through another source. The demerits of primary data are that sometimes the person who is on the field sees only part of the action. The primary data will be collected through a survey by a semi-

structured questionnaire and secondary data through document review mainly organizational reports and company magazines. Questionnaire has been developed based on the objectives of the study.

3.6 Data Collection Procedures.

The researcher designed a questionnaire which was distributed by the researcher herself to the organization.

3.7 Validity and Reliability

For every research project, it is of great importance for the researcher to clearly manifest validity and reliability. Reliability refers to the “extent to which your data collection techniques or analysis procedures will yield consistent findings” (Saunders *et al.*, 2009, p158). Validity on the other hand is “concerned with whether the findings are really about what they appear to be about”. (Saunders *et al.*, 2009, p158).

This is primarily because most research projects are used by students, other researchers and any other interested parties in the future to make sound conclusions pertaining to the topic of discussion. In this particular research project, the information derived from the study of past and current employees of Telkom Kenya Limited will be used by other students and key industry stakeholders in the future when studying past trends. Investors may also use the information contained in this research project to make informed business decisions. This clearly demonstrates the necessity of validity and reliability throughout the entire research project (Golafshani, 2003).

Reliability basically means that the results can be duplicated in the future if the same study is conducted under the prevailing conditions and parameters (Golafshani, 2003). The researcher must prove that these results adequately address the research question and that even if another study was to be conducted, the same results would be deduced. Validity on the other hand, pertains to the integrity of the results and conclusions drawn by the researcher (Golafshani, 2003). They must be ethical and display high moral standards, The questionnaire used in this research project was

derived from formally tested questionnaires used by (Kirwan, 2014) when conducting a similar research. It was developed based on (Das and Baruah 2013) findings.

Finally, all conclusions made were drawn on factual data derived from the data collected through the methods described earlier without any bias whatsoever (Hom, Mitchell, Lee and Griffeth, 2012).

3.8 Data Analysis Techniques.

The data collected was analyzed qualitatively and quantitatively. The raw data collected was categorized into information that answered the research question.

Each research question was carefully analyzed with reflection to the research topic. The questionnaires and the responses were coded accurately to enable accurate analysis of information so as to come up with comprehensive analysis.

3.9 Pre-Testing.

The questionnaires were pre-tested using a small number of 50 Commercial staff members who would not be used for final data collection.

CHAPTER 4

4.0 Data analysis and presentation

4.1 Introduction

This chapter presents data analysis and presentation of research finding. It will present the results in a systematic manner, making it easier for the researcher to gather conclusive and informed conclusions pertaining to the issue of high employee turnover rates within the Telkom Kenya Limited. Vital primary data were collected from the 324 participants who volunteered to participate in the research. The questionnaires did an excellent job in sourcing this data from the participants and thus enabling the researcher to use it to determine the underlying factors behind the low employee retention rates within telecommunication industry. Below is a comprehensive presentation of the results obtained from questions after the participants offered their insights through the questionnaires. There were a total of 324 respondents in the research all of whom were employees and others were previous employees within the company.

4.2 Response Rate.

The data collection was through questionnaires that were administered to the respondents. The researcher personally hand delivered questionnaires to the organization and at the end of two weeks, the researcher went back to the organization to collect the filled questionnaires.

4.3 Gender

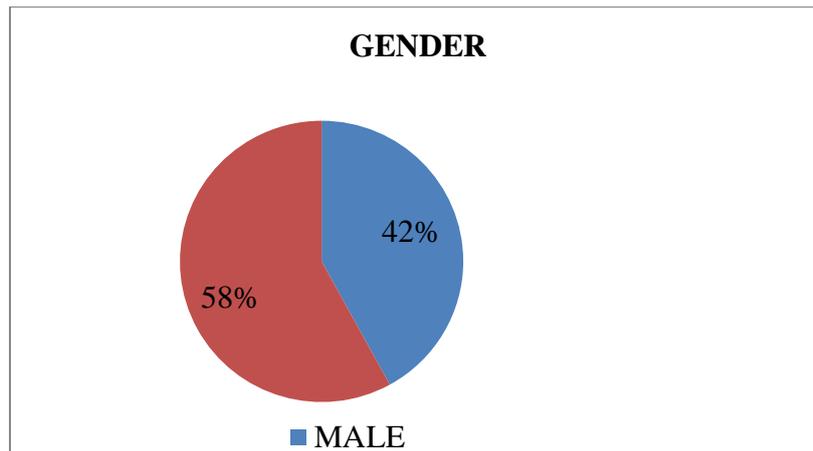


Figure 1: A pie chart showing gender percentages of respondents

Figure 1 above pie chart shows gender percentages of respondents, the research sought to identify the gender of the participant. This was deemed necessary to gain a fair understanding of the gender composition of the participants. A research study should clearly demonstrate a relative balance of both genders i.e. male and female. Data obtained from both male and female participants in a research is more accurate and applicable to the general population, compared to that gathered only from one gender. In this research project, 58% of the participants were female, while the remaining 42% were male. This was definitely a fair representation of both genders. Although there were more female participants than males, the views and opinions of each distinct gender were availed in the research. This made the research highly applicable to the general population.

4.4 Age Structure

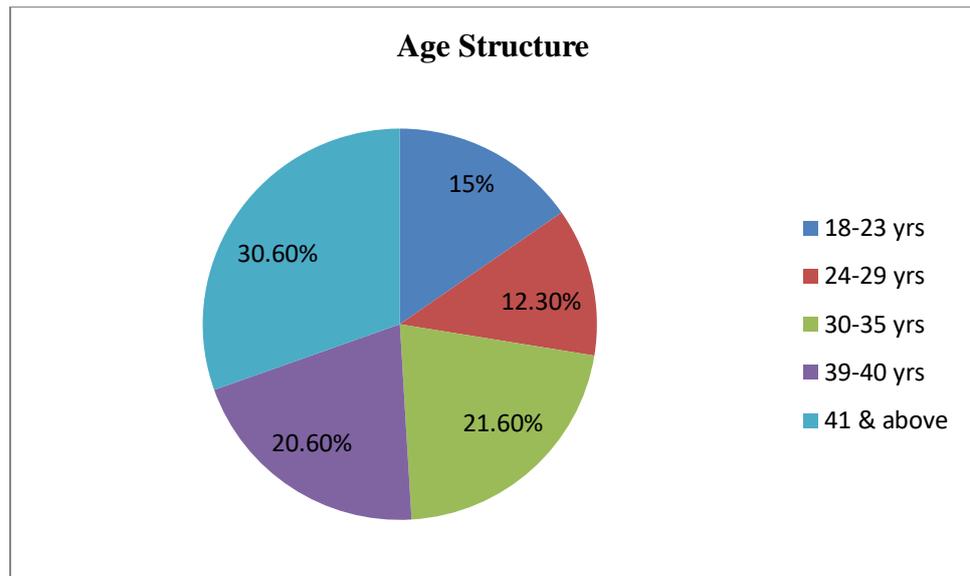


Figure 2: Pie chart showing percentage breakdown of age of respondents

The figure 2 above pie chart, the research seeks to identify the age bracket of the participants. It is highly important for the researcher to know the age group of the participants. People are often self-conscious about their ages and therefore, age rangers were provided and the participants were required to select which range was most appropriate.

The following is a breakdown of the age representation of the 324 respondents used in this research project;

Age 18-23 - 50 Respondents

Age 24-29 - 40 Respondents

Age 30-35 – 70 Respondents

Age 39-40 – 65 Respondents

Age 41 and above - 99 Respondents

From the above data, it is clear that most of the participants in this research project were old people of ages between 41 and above. Those of age 41 and above represented 30.6% of the participants, followed by those of age 30-35 at 21.6%. Ages 39-49 represented 20.6%. Ages 24-29 represented 12.3% of the participants. Finally, only 15.4% of the participants were of ages 18-23 years old.

4.5 Supervisor/ Team leader

Supervisors or team leaders can either motivate a work force or de-motivate them towards achieving the set organizational goals. This research focused on identifying the influence of the supervisor or team leader on the participants. The figure 3 below bar graph display the results derived through from the research.

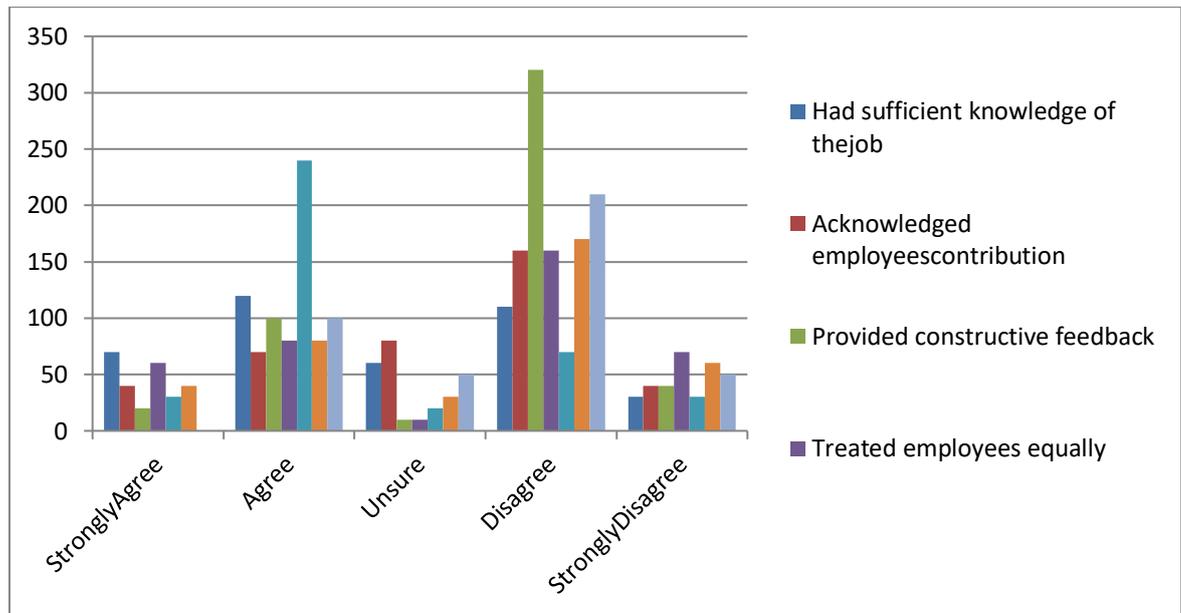


Figure 3: A bar chart representing the influence of the supervisor or team leader on the participants

Figure 3 above bar chart the participants were asked whether their supervisor or team leader had sufficient knowledge of the job, 30.8% agreed. However, 28.2% disagreed with this statement stating that their supervisors lacked the knowledge of the job they were supervising or leading.

The second statement sought to clarify whether the supervisors or team leaders acknowledged the employees’ contributions. Again, there were uncertainties in the response as 41.0% disagreed and 20.5% of them were unsure. Next, the participants were required to state whether their supervisors provided constructive feedback, 56.4% agreed to this, while 25.6% disagreed. The participants were then asked whether the supervisors or team leaders treated employees equally and 41.0% disagreed.

The questionnaire, then requested the participants to state whether the supervisors or team leaders maintained a professional relationship with employees. A total of 61.5%

agreed to this statement. When asked whether the supervisors or team leaders recognised and acknowledged achievements, 43.6% of the participants disagreed, with only 23.1% of them agreeing. Finally, 53.8% disagreed with the last statement which asked whether the supervisors or team leaders offered and promoted ways to develop employees. Nevertheless, 25.6% of the participants agreed with this last statement.

4.6 Remuneration and Benefits

This question sought to identify whether the participants were comfortable with the remuneration

Packages and benefits offered to them at their previous places of work. Figure 4 below bar graph represents the findings from the participants 250.

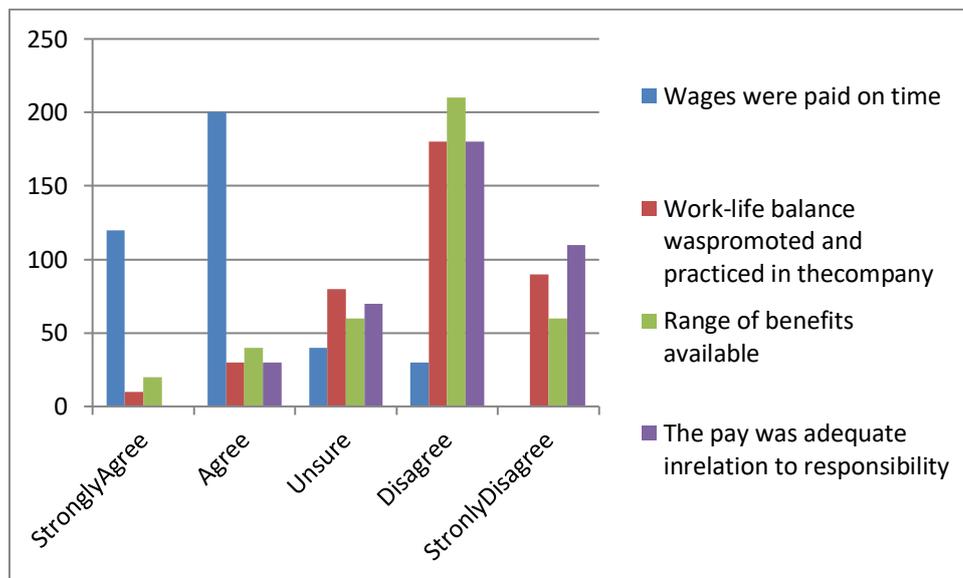


Figure 4: A bar chart representing the Remuneration and Benefits on the participants.

From the bar chart, it is clear that the respondents had a lot of issues with the remuneration packages and benefits extended to them by the companies they worked for. When asked whether their wages were paid on time, 51.3% of the respondents agreed. In addition to this, 30.8% of them strongly agreed.

This is a clear indication that the companies promptly paid the employee’s wages. The second statement asked whether a work life balance was promoted and practiced in the company. Again, 46.2% of the respondents disagreed with this and 23.1% strongly

disagreed. The next statement sought to identify whether there was range of benefits offered to the respondents. A total of 53.8% disagreed on the existence of such benefits.

Finally, the questionnaire required the respondents to state whether the pay they received was adequate or proportional to the responsibilities they held in their respective companies. Here, there was a lot of negative feedback from the participants with 46.2% disagreeing.

4.7 The Company

The primary focus of this question was to inquire more about the companies in which the participants worked in. This includes the resources and equipment present to assist employees in the successful execution of their core duties and responsibilities. The graph below outlines the results collected from the participant.

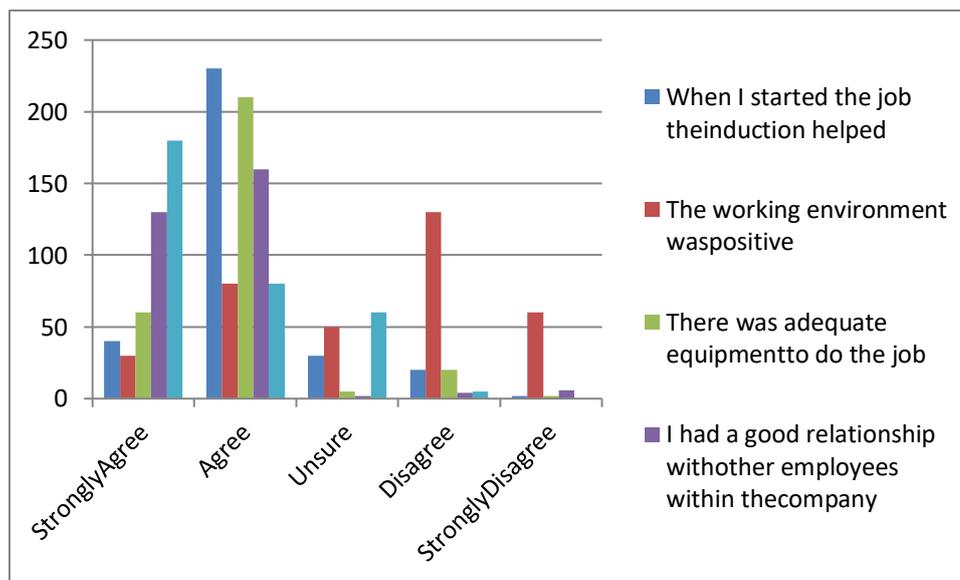


Figure 5: A bar graph representing the company facilities and the working environment of the company.

From the presentation above, the first statement required the participants to state whether the induction offered to them at the start of their job helped them. There were 59.0% of them the participants who agreed with this statement commending the induction program at their previous places of work. When requested to state whether the working environment was positive, 33.3% of the responded agreed that it was positive. The working environment was not perfect or inspiring, according to the

results. The questionnaire, then sought to identify whether there were adequate equipment to do the job. Here, 53.8% agreed with the statement confirming the existence of adequate equipment to perform their duties. The next statement sought to seek whether good relationships existed between employees in the companies. There were 46.2% of participants who agreed with this statement and an incredible 33.3% strongly agreeing with the statement.

The next statement asked the participants to state whether there were sufficient staff members to cover the workload in their previous places of work. Of the respondents 46.2% agreed with this statement. These results point out to the existence of a relatively hostile work environment. However, there was adequate equipment to get the job done but it appear that inadequate staffing was a key issue at the participants places of work.

4.8 Question: What did you like most about working with your previous company?

This question was an open question and quite direct, thus received a lot of mixed responses from the participants. They offered varied reasons pertaining to the main reason why they liked working for their previous companies.

However, an analysis of these responses gives some startling results. Most of the answers provided were personal in nature. They did not reflect any commitment to the company at all. They included responses like, meeting new people, colleagues were nice, closer to home, subsidies food, convenient from home, good breaks, use of hotel facilities, nice uniform, 3 actually cited working with friends and 2 stated working with family.

This clearly demonstrates very low motivation towards working for the respective companies. However, there were several positive responses that touched on the interests of the companies in which the participants worked in.

They included responses like money, the friendly working environment, discount accommodation, company has good reputation, wages paid on time, discounts, the locality and shift work. There were also some negative responses about what the participant's dislike about the companies in which they worked in.

They include responses like nothing and don't really like working here. All of these responses will play a key role in the research project as they reflect the true perceptions of these past employees towards their previous jobs.

4.7 Question: What was the reason that made you choose to work for the company?

Again, an open question, this question was met with mixed responses ranging from job availability, lack of other options and the need for money. Most of the responses basically revolved around these three factors. Participants needed the job because they either wanted money or they had no other option to choose apart from that particular job. Moreover, there were several who worked for their companies because they had good reputations and thus would reflect positively on their CVs.

However, several of them said that they chose to work for their respective companies because their friends worked there too. In fact, one responded that he or she worked there because his or her uncle owned the establishment while another said 'reputable chief'. Another reason given was the fact some of the participants were new and this was the only available job to take. Other participants responded with 'no reason' and 'nothing' to this question.

4.8. Question: What did you like least about working with your previous company?

In this question, the 324 respondents expressed various reasons why they least liked the companies they worked for. It was discovered that the biggest reason for this dislike was due to long working hours and low pay.

Most of the respondents mentioned these two reasons for their dislike. In addition to this, a lot of them blamed their team leaders, supervisor or boss. There were comments which implied that the boss was not fair, do not get on well with the team leader, lack of respect from supervisor, favourism, bad manager and too many rules. These responses clearly show the existence of a strained relationship between these respondents and their supervisors or team leaders.

Motivational leadership was lacking. A lot of responses also related to late shifts, working weekend, late hours and unsocial working hours. Here, it was clear that some of these respondents were overworked. The work environment was also highly criticised through some responses like lack of training, no opportunity for promotion, no health care, rude guests, money, no career opportunity, early shift, wages and low pay.

There were also conflicts between the employees as quite a handful of respondents said that they did not get along with their colleagues

CHAPTER 5.

5.0 Introduction

This chapter consists of a brief summary of findings, a conclusion for the study based on findings from the responses given in response to the research to the question, and recommendation made by the researcher from the findings of the study.

5.1 Summaries based on findings

This segment of the research project will provide a convincing conclusion that sums up the findings deduced throughout the entire project. Emphasis will be on determining whether the research questions set out at the beginning of this research project have been satisfactorily answered.

The findings of the questionnaires used in this research project in the organization indicated that the following were the main reasons behind the exceptionally high employee turnover rates; Wages, work-life balance and the lack of motivation are the main factors to the high employee turnover rates at Telkom Kenya Limited.

Employee training, empowerment, competitive wages, rewarding programs and finally career advancement are the most effective methods of promoting high employee retention rates in telecommunication industry

This research project produced a lot of vital data that attempts to explain the high employee turnover rates at the Telkom Kenya Limited. The questionnaire gave very useful insights as to why this alarming trend is quite prevalent in this important industry in Kenya. There are several factors responsible for this trend. However, three main factors stand out. The respondents offered very strong reactions to these three factors, i.e. wages, work-life balance. These three factors are the main agents of the relatively high employee turnover rates in this industry.

5.2 Motivation

Motivation was also lacking in the company in which the respondents had previously worked for. Without the motivation of employees, a company or organization is doomed for failure. Employees require constant motivation to improve their performances as well as instill some vital skills that come in handy when executing their core tasks and responsibilities. In fact, in the telecommunication industries, motivation of employees is a key determinant to the success of a company.

This is primarily because employees provide services to the clients directly. Motivated employees tend to offer great and high quality services to clients, guaranteeing a return purchase and thus customer loyalty. From the responses provided by the respondents it was clearly evident that they felt very low levels of motivation working in their previous companies (Cadwallader, Jarvis, Bitner and Ostrom, 2010).

A substantial percentage of the respondents were not offered training and development opportunities to enhance their skills while working for their previous companies. In addition to this, they were constantly being overworked. The overall feeling amongst the respondents was that their skills and knowledge were not put into effective use in the workplace. They were under-appreciated and under-paid.

All of these are ingredients for disaster and employees are bound to leave a company with such services. This is one of the major reasons why there are high employee turnover rates in this crucial industry (Sahinidis and Bouris, 2008).

In regard to this there are several ways that a company can adopt to motivate their employees when working. For starters, these companies can adopt the various employee motivation techniques available. This includes adopting a totally new job design that looks out for the interests of the employees. Under this new design, job rotation can be incorporated to allow employees to conveniently enjoy their social hours.

Secondly, the companies can introduce awards for hardworking employees. Recognising the efforts and input of employees often motivates them to work even harder.

Thirdly, these companies can encourage more employee participation in some affairs, e.g. through empowerment and delegation. Allowing employees to make important decisions pertaining to the company motivates them to continually look out for the best interests of the company (Roos and Van Eeden, 2008).

Finally, the companies should create a culture of continuous feedback and coaching, offer training to all supervisors, team leaders and managers to be equipped and perform their responsibilities. Give employees access to job descriptions and competency requirements needed to qualify for other positions in the company will motivate them to stay longer with the company (Branham, 2005).

5.3 Wages

This research project revealed that the level of wages offered to the employees in the organization played a major part in their reluctance to work with their respective companies for longer periods of time. The respondents expressed many concerns over the salary they received and the manner in which they received it. They strongly believed that their input in the companies they worked for deserved to be rewarded better.

In addition to this, there were instances of late disbursement of salaries. All of these factors negatively impact on the employee's dedication towards their work. In fact, such factors may compel employees to start looking for other rewarding employment opportunities in other companies leading to high employee turnover rates (Llorens and Stazyk, 2011). A way to rectify this is to revisit the employee remuneration packages offered to the employees in these company. An appropriate level of pay should be awarded to employees in accordance with their input in the company.

Survey employees on fairness and consistency of the pay system and ask them what recognition programs they would consider to be good incentives (Branham 2005). This way, they will feel that their input is appreciated. Moreover, additional benefits packages should be offered to employees for their hard work. Benefits are a great way of boosting employee morale while working. With these benefits and an appropriate

salary, employees are bound to work for longer periods of time with their companies. This will in turn reduce the high employee turnover rates (Clark, Kristensen and Westergård-Nielsen, 2009)

5.4 Work-life balance

Finally work-life balance was a critical issue highlighted by a majority of the 300 respondents in this research project. Human beings are social beings that require time to relax and catch up with friends and family members. When this is inhibited by work-related commitments, stress is inevitable. Employees who work long and unsocial hours tend to develop various social disorders arising from their depression and prolonged exposure to a similar set of activities. As mentioned earlier, the organization purpose is to provide services to clients on a 24 hour basis. At times, employees bear this burden and instances of overworking arise.

Overworking employees by making them work for longer and unsocial hours, often leads to adverse results to the company, such as higher levels of absenteeism. Employees may become less efficient and the company ends up wasting a lot of resources, including losing clients in the long run (White, Hill, McGovern, Mills and Smeaton, 2003).

There are several ways through which organization can deal with this issue. First and foremost, evidence from past research indicates that competitive unsocial hour's payments greatly facilitate in encouraging positive attitude among employees. organization should therefore adopt this approach as it will help its employee embrace working productively, even in unsocial hours. Competitive payment for employee efforts during unsocial hours is a great motivator. Some of the respondents expressed that they had a lot of issues with their payment and benefits packages.

The unsocial hour payment package could be included as a benefit for all employees willing to work during these odd hours (McNamara, Bohle and Quinlan, 2011). Companies should also encourage fun in the work place, organise and encourage group outings as fun activities, which can relieve employees of stress specially those working in high stress positions (Branham 2005).

It is also important for the organization to constantly educate their employees on the importance of working through unsociable hours i.e. the benefit to clients etc. Most of these organization make a lot of their money during these odd and unsocial hours. An example is Telkom Kenya Limited which makes money during unsocial hours, i.e., at night, on public holidays and during summer when people are either travelling or just having a good time with friends and families by making calls at affordable rate and surfing to the internet using the unlimited packages offered by the organization.

These are the peak times for the company and thus the employees must step up and provide the necessary services for the hotel to make money. If the employees do not fully comprehend this, then they may find it difficult or unfair to be working when their friends are socialising.

They must be thoroughly educated on this to improve their perception and attitude when working (Pocock, Skinner and Pisaniello, 2010). Research conducted by Doherty(2004) shows that most women needed flexibility because of childcare commitments, companies should introduce more flexible working hours, job sharing, more option for part time work for men and women, and more paternity leave all this will reduce high turnover rate in the industry (Farrell, 2015).

5.5 Conclusion

This research has pointed out to the existence of several factors that contribute to the high employee turnover rates in the organization. The first evident reason is the lack of motivation. The supervisors did not motivate their teams towards achieving the set goals and objectives. They did not value the input of the employees, nor did they reward their efforts through appropriate benefits to boost employee morale. Training programs were also absent to improve the skills of these employees. This encouraged these employees to continue seeking for better places to work. This contributed to low employee retention rates.

Another contributing factor was inadequate pay. These respondents were not receiving the salaries they deserved compared to their input in these company. For this reason, they felt over-worked and under-appreciated.

Finally, the working hours were also quite unfavorable. The employees did not have enough time to carry on with their social life. Most of them worked unsociable hours making it almost impossible for them to socialize. Work-life balance was not favorable and thus more employees felt discouraged to continue working with their respective companies.

5.6 Recommendations.

5.6.1 Recommendations for improvements at Telkom Kenya Limited.

1. The company should revisit the remuneration packages offer for the employees, an appropriate level of pay should be awarded to employees in accordance with their input in the company, in this way the employees will feel that their input is appreciated.
2. The company should include the unsocial hour payment package as a benefit for all employees willing to work during odd hours.
3. The company should constantly educate their employees on the importance working through unsociable hours in order to improve their perception and attitude when working.
4. The company should adopt various employee motivation techniques such as:
 - a. Adopting a totally new job design that looks out for the interests of the employees, under this new design job rotation can be incorporated to allow employees to conveniently enjoy their job.
 - b. Introducing awards for hardworking employees by recognizing the efforts and input of employees often which will motivate them to work even harder.
 - c. The company should create a culture of continuous feedback and coaching, offer training to all supervisors, team leaders and managers to be equipped and perform their responsibility.

5.6.2 Recommendations for further studying.

This research project has focused entirely on studying one organization i.e Telkom Kenya Limited. Although the information retrieved is quite useful, it is based on accounts given by past and current employees in this industry. Other research projects should be launched aimed at studying other organizations and comparisons between government ministries and Non-Government Organization in the country and determine their views on what is causing the high employee turnover rates.

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5.8 Questionnaire for the employees

I wish to kindly appreciate the co-operation and assistance that the respondents are going to accord me for the purpose of this study. May I also take this opportunity to assure you all that information volunteered to me by all the respondents will be strictly used in my research only and not for any other purpose. Please note that any information volunteered in this question will be treated with utmost confidence.

Appendices

(Please tick the correct answer or fill in the space as precisely as possible).

1. Kindly indicate your age bracket

- Age 18-23
- Age 24-29
- Age 30-35
- Age 39-40
- Age 41 and above

2. Marital Status

- Single
- Married

3. How long have you worked in this organization.

- 3 Months
- 6 – 10 yrs
- 11 – 25 yrs
- Above 26 yrs.

4. What is your designation

- Customer care
- Secretarial
- Sales Agent
- Human Resource
- Procurement
- Technicians

5. Indicate Gender

- Male
-

Female

6. Highest Level of education

'O' Level

'A' Level

Others

Specify.....

7. What did you like most about working with your previous company?

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8. What do you understand by employee turnover rate?

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9. Explain challenges encountered in this organization?

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10. What are the effects of employees high turnover rate?

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11. What are the views of clients being served by different employees.

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12. How often does the organization retrenched employees?

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13. Does the company provide any benefit?

If yes. In what ways

Free air time

Promotions

Career Progression

Job satisfaction

14. Kindly give reasons for no.12 above.

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15. What did you like least about working with your previous company?

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16. Are you comfortable with the benefits and remuneration?

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THANK YOU.