AN EMPERICAL EVALUATION OF THE FACTORS THAT INFLUENCE STAFF RESIGNATION AT MANAGEMENT LEVEL IN SELECTED PUBLIC CORPORATIONS IN KENYA

A Project Report

By

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DECLARATION

This Research Project is my original work and has never been presented for any degree in any other University.

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This Project has been presented for examination with my approval as University Supervisor.

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To all of them I say a big **THANK YOU**.

DEDICATION

To my late father Mr. W. Kisiara

and Mom, Lydia Kisiara.

ABSTRACT

This study was carried out in three selected corporations in Kenya namely Kenya Railways Corporation (KRC), Kenya Power & Lighting Company Ltd. (KPLC) and Telkom Kenya Ltd (TKL) and confined itself to one form of employee turnover, that is, resignation among management staff. The objective of the study among others was to investigate the factors that influence staff turnover at management level and identification of job vocations within the corporations under study, which are prone to resignation. In order to achieve the above objectives, the study utilized secondary data extracted from exit questionnaires. The sample size proposed was 50 from every organization, but the number of exit questionnaires obtained was: KRC – 42, KPLC – 39 and TKL – 46. Literature on the findings of various researchers in the area of employee turnover in general was reviewed. However, the author came across no work that has been done specifically on resignation as a form of employee turnover. The data collected was analyzed by use of descriptive statistics. ANOVA test of significance was performed. Based on the analysis of the extracted data, results showed that Engineering, Human Resource, Supplies & Procurement, and Information & Technology vocations were more prone to resignations in the three organizations. Also the reasons cited by most resignees were 'landed another job' and 'remunerations'. The conclusion one can draw from the analysis of data is: KRC comparatively has a stable work force. To minimize the effects of resignations, it is recommended that top management of the organizations under study, should constantly review remunerations to minimize staff turnover particularly in Engineering and Human Resources and Administration Manager (HRAM) vocations which are prone to resignations. This recommendation is based on the fact that those resigning because of remuneration and those citing 'landing another job' all amount to the same thing – quest for money. They should also compare the jobs resignees 'land' and incorporate their attractive features in their system in order to retain staff.

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ACRONYMS

PR	Public Relations
R & D	Research & Development
CE&CE	Chief Electrical & Communications Engineer
CME	Chief Mechanical Engineer
HRAM	Human Resources & Administration Manager
O&M	Operations & Maintenance
IT	Information Technology
Eng	Engineering
S&P	Supplies & Procurement
M&CS	Marketing & Customer Service
PWE	Permanent Way Engineer
PWI	Permanent Way Inspector

CHAPTER ONE

Introduction

This part has five major sections and three subsections. Section 1.1 is where the background information of the problem is given. Section 1.2 deals with the study area. The study area of this project was the Quasi-Government sector in Kenya. The entire sector was, however, not studied. Three parastatals conveniently selected were studied. Brief information of each corporation is given under subsection 1.2.1, 1.2.2 and 1.2.3. The statement of the problem, objectives of the study, hypotheses, significance of the study, and definition of key terms are given in sections 1.3, 1.4, 1.5, 1.6 and 1.7 in that order.

1.1 Background Information

Employee turnover is a thorny issue to all organizations worldwide and public corporations are no exceptions. It becomes even more daunting when this turnover is largely as a result of resignations. This is because the organization affected is unable to predict the timing of the next quit. However, according to Onyuma (1997) quoting Price (1997) he avers that voluntary quits can easily be controlled than involuntary by providing higher wages or benefits. There are however some resignations which are uncontrollable.

Employee turnover (and to be precise employee resignation) is a daunting experience to many an organization. This is because it comes when it is least expected and it normally gets organizations unawares. It particularly becomes more awesome when the affected cadres of staff are managers. They are the decision makers in an organization and are the ones that make things move. Without them other factors like equipment, materials, workers, machinery, capital and others achieve very little, if any. The management as a factor of production in an organization needs to be given the attention it deserves as efficiency of other factors somewhat hinges on the efficiency and stability of it.

When an organization acquires human resource, it is anticipated that he/she will work for it up to the mandatory retirement age. However, this is not often the case. At one time or another, they must be separated and returned back to the society. This is to be expected. Human factor is the only resource that is not owned indefinitely! Unlike people other resources like capital, land etc. can be owned indefinitely.

Holding all other factors constant that trigger exits, an employee once recruited, trained, developed and deployed is expected to work full length to mandatory retirement age of 55 years in the case of Kenya. But this is not usually the case. Separation through death, dismissal, retrenchment, outplacements, layoffs and resignations often occur. Among the above-mentioned modes of separation resignation is the only one that is employee-initiated.

This action is the culmination of long and carefully considered employee withdrawal decision process and is a less spontaneous process than absenteeism (Mobley, Horner and Hollingsworth, 1978)

From Mobley *et al.* (1989), model depicted in Fig. 1, it can be inferred that level of job satisfaction is related to thoughts of quitting and intentions to search for another job; further the intention to quit was significantly related to actually quitting. The study, however, did not clearly bring out the actual causes of job satisfaction and neither did it concretely suggest that dissatisfaction is the major variable contributing to turnover. Their proposed model of turnover process is reproduced here below:

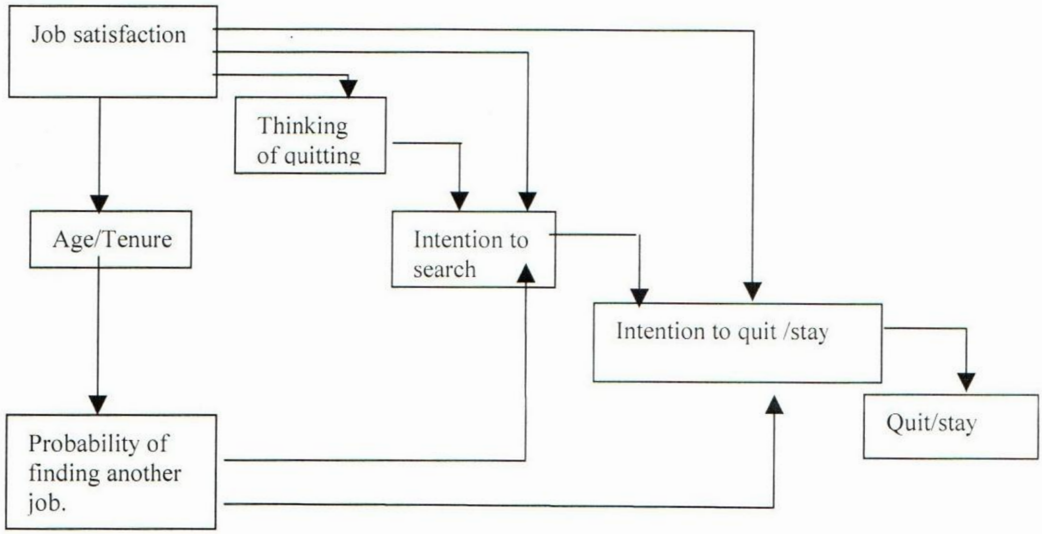

Fig 1: A Simplified Representation of Intermediate Linkages in the Employee Withdrawal Process.

Source: Mobley et al, (1989).

The import of the model above is that resignation is not a haphazard thing. It is a move that is carefully planned by the employee and take into account many factors such as the certainty of getting another job.

1.2 Quasi-Government Sector in Kenya

This study focuses on the Quasi-Government Sector in Kenya. This sector is large by any standards, as it comprises of 400 plus corporations. Because of this reason and the fact that there were resource limitations, this study focused on only three corporations namely:

(a) The Kenya Railways Corporation (K R C)

(b) The Kenya Power & lighting Company Limited (K P L C)

(c) The Telkom Kenya Limited (T K L)

According to Greener (1994), Public Corporations are quasi - autonomous bodies similar in function to a company but set up by the State through Acts of parliament to run either public service e.g. Kenya Broadcasting Corporation (KBC) or an industry, for instance, Pyrethrum Board of Kenya (P.B.K). These corporations are formed through various methods. Some of the methods are:

(a) Purchase of shares in existing private concerns.

(b) The setting of the state enterprises from scratch.

(c) Nationalization with or without compensation as was done in Tanzania and Uganda.

(d) Confiscation as was the case in Uganda

(e) Joint ventures with foreign capital.

These state enterprises are initially financed from the Exchequer or Public finance. Thereafter, they are expected to carry out their operations not with a view of maximizing profit as the case in private sector but to serve the public. However, it is expected that the corporations should be self-financing. It should generate enough Revenue to finance its operations. Any excess revenue is, however, remitted to the

Exchequer. The day to day running of the parastatal is in the hands of a Government appointee.

The trend immediately after independence was to establish many state owned corporation to among other reasons empower Africans economically, enhance 'Africanization' of business in Kenya and develop areas neglected by the colonial Government. By 1982, the state enterprise sector in Kenya comprised of 147 organizations established by specific Acts of parliament and 36 enterprises in which the Government had controlling shares (that is 51% or more shareholding). In 47 corporations, the Government was the sole shareholder while in another 93, the Kenyan state owned minority shareholding. In total there were 456 corporations where the Government had interest to varying proportion by 1982 (Mulandala, 2000)

Twenty years down the line the scenario has greatly changed. Many state owned enterprises have been privatized. Others have since collapsed because of one reason or another. However, the government has occasionally prevented some from collapsing by bailing them out because of their strategic nature. Efforts to have them privatized have been resisted by the government because of their perceived strategic nature.

An ideal situation was to study all the corporations in this sector. But because of limitations such as costs, time factor and other intervening factors not mentioned, the study focused on only three parastatals namely KRC, KPLC and TKL. The above corporations were selected on the basis of convenience. The following is a brief background of each of them.

1.2.1 Kenya Railways Corporation

The present Kenya Railways Corporation (KRC) came into being through an Act of Parliament; The Kenya Railways Corporation Act [CAP 397] which was enacted on January 1978. This was as a result of the collapse of the East African Community (EAC) earlier in 1977 (K'Obonyo, 1981). The construction of the line stretching from Mombasa to Kisumu (formerly port Florence was started in 1896 and reached inland port of Kisumu in 1901. Later it was extended from Nakuru to Uganda via Eldoret-Malaba. Originally, the line from Mombasa to Kisumu was called Uganda Railways but later when Kenya and Uganda were both brought under British protectorate in 1949, the name was changed to Kenya-Uganda Railways (K'Obonyo 1981).

With the break-up of the EAC, each of the three East African Countries: Kenya, Uganda and Tanzania incorporated corporations to run the Railways and Harbors which were hitherto run by the giant East Africa Railways and Harbors (EARH). Kenya incorporated two Corporations: KRC and Kenya Ports Authority to run Railways and harbors respectively.

As at the end of 2002 financial year, the Corporation had a total workforce of 7639. Of this, management staff constituted 700 (Rail Talk Magazine, Dec. 2002). They were regionally distributed as follows: Headquarters – 201; Western – 156; Central – 163; Coast – 159; and Kisumu – 21. During the same period management exit through resignation was 14.

The organization structure of KRC is a mixture of both functional and geographical considerations. It is structured into twelve (12) functional departments, three (3) geographical regions and one (1) sub-region.

1.2.2 Kenya Power and Lighting Company Ltd.

This corporation is a precursor to the East African Power and Lighting Company Ltd. (EAPLC), which was formed on March 24 1922 to take over the assets of smaller independent power and lighting generating companies such as the Mombasa Electric power and lighting company and the Nairobi Electric lighting and power Company.

The giant KPLC was subdivided in 1998 into three entities namely KenGen to deal with generation, Energy Regulatory Board (ERB) whose function is regulatory and KPLC to be in charge of distribution and Transmission.

Like the aforementioned parastatal, the Government also wholly owns KPLC. The parastatal has a mission to distribute high quality electricity at cost-effective tariffs while striving to satisfy the customer as well as meet its profit motive. The company had a total work force of 7,100 employees as at 30th, June 2000, and during the same year 57 employees left the corporation because of one reason or another (KPLC magazine, 2000).

1.2.3 Telkom Kenya Ltd.

Telkom Kenya Ltd. (T.K.L) came into being after the enactment of the Kenya Communications Act, 1998. The result of the enactment of this Act was the split of the former giant Kenya Post and Telecommunication Corporation (KPTC) into three entities namely: The Communication Commission of Kenya (CCK), the Postal Corporation of Kenya (PCK) and Telkom Kenya Ltd. (TKL).

The Government as a sole shareholder wholly owns the enterprise. The Corporation has a mission not only to be a world-class telecommunications operator but an efficient and cost effective service provider.

Telkom (K) Ltd. has a total workforce of about 18000 as at 31st of December 2002. Of this managerial staff was 4526 as at the same date.

Telkom (k) Ltd has adopted a hybrid structure. It is structured into eleven (11) functional departments and seventeen (17) geographical regions.

As earlier indicated, employee turnover (and to be precise employee resignation) is a daunting experience to an organization. This is because it comes when it is least expected and it normally gets organizations unawares. It particularly becomes more awesome when the affected cadres of staff are managers. They are the decision-makers in an organization and are the ones that make things move. Without them other factors like equipment, materials, workers, machinery, capital etc achieve very little, if any. The management as a factor of production in an organization needs to be given the attention it deserves as efficiency of other factors somewhat hinges on the efficiency and stability of it.

According to some preliminary oral interviews conducted among senior managers in these corporations managers leave and the reasons they cite are as diverse as the resignees themselves. This seems to confirm the findings of Weaver (1970), who studied the reasons why employees in general quit in San Antonio, Texas. He found out that the reasons were as varied as the employees themselves were. As indicated in the introduction, 14 and 57 employees left KRC and KPLC respectively during the period.

1.3 Statement of the problem

Over the years organizations world over have been facing an increasing incidence of management employees' turnover. A large part of this is attributed to resignation. Staff resignation *per se* is not dysfunctional. It is the incidental costs that arise as a result of its untimely occurrence, which is. Costs attendant to resignations manifest themselves in various ways: They include hiring costs, which consist of management time spent in interviewing, placement, induction and training. Incidence of accidents is also high in case of new employees not used to tools of production. Coupled with this is the loss of production in the time interval between separation of an old employee and replacement by a new one. There is a time lag needed to learn the organization.

The negative effects resignation has on the morale of remaining staff cannot be overemphasized. The organizations under study, too, have similarly experienced the same as a problem.

From the foregoing, there existed felt need to find out the magnitude of the problem of management flight in the selected Corporations. The author perused work done on flight of management staff in general and effort to look for work done on quasi-government sector bore no fruits, hence this study.

This study, therefore, is a bid to explore the area and fill the gap. It also evaluated the factors that influence staff turnover at management level in the selected organizations.

1.4 Objectives of the study

Arising from the foregoing problem, the broad objective of the study was to identify factors influencing staff turnover at management level with special emphasis on resignation.

However, the specific objectives of this study were:

i) To investigate the factors that trigger management exits in the three selected state corporations.

ii) To identify key managerial positions and/or vocations which are prone to resignations within the Corporations.

iii) To investigate the ages when exit of management staff is likely to occur.

iv) To examine the effect of resignation on the overall staff turnover.

1.5 Hypotheses

To achieve the objectives of this study the hypothesized scenario that was tested were:

i) The reasons for resignation are not organization specific.

ii) There was no significant relationship between vocation and resignation.

The hypotheses were tested at 5% level of significance and 16, 24 degrees of freedom.

1.6 Significance of the study

The study may have value to the following in the ways listed below:

(i). The selected corporations

The study may help in providing hints into the magnitude and direction the problem of management staff turnover is taking. Consequently, the study may serve as a starting point to launch an in-depth study by these corporations into the question of staff flight that has caused concern among top managers.

The findings of the study are also important to the Corporations under study and other employers as it revealed among others that the vocations prone to resignation are Engineering followed by Human Resource Departments.

(ii). Other Public Enterprises

Other public enterprises that face similar problems may benefit from the findings of this study and its recommendations.

(iii). Finally, any other astute and inquisitive researcher may find the outcome motivating to inquire further into.

1.7 Definition of Terms

For purposes of this study, the terms below have the meanings given under each.

(a) Resignation

This term is used throughout this write-up to refer to any conscious effort initiated by the employee himself/herself to sever employment contract with the employer.

(b) Labour Stability

This is the length of time employees takes in the organization before they leave/exit for one reason or another. It is measured in Labour Stability

Index (LSI). The following formula is used to calculate stability index:

$$LSI = \frac{No\ .of\ \ Employees\ with\ one\ or\ more\ years\ of\ \ service}{Average\ No.\ Employed\ one\ year\ ago} X100$$

(c) Employee Turnover/ Separation

This refers to all those processes or ways by which an organization returns the employees to the society. The rate at which they come in and leave gives the stability index of the labour force. Resignation is one of the ways by which employees leave an organization. Others include death, dismissal, retirement, retrenchment etc. Labour turnover is the number of leavers expressed as a percentage of the number employed during the year. *Labour Turnover Index (LTI)* is given by:

$$LTI = \frac{No\ .of\ \ Leavers\ during\ the\ year}{Average\ No.\ Employed\ during\ the\ year} X100$$

The above formula can be further modified to reflect the avoidable separations. Subtracting the avoidable separations such as return to school or death can do this. Thus the revised formula becomes:

$$T = \frac{S - US}{M} X\ 100$$

Where T is turnover rate

S is avoidable separations

US is unavoidable separations

M is average size of workforce during the period in question.

(d) Vocation

This refers to one's career. An area in which one has a calling is referred to as one's vocation. It can be loosely referred to as one's profession. Examples are engineering, accounts, teaching etc.

(e) Corporation

This was used interchangeably with the word parastatal. In the Kenyan context, the word is used to refer to an enterprise established through an Act of Parliament with the government being the sole shareholder or has a controlling share.

(f) Inputs

Anything the individual feels he/she personally contributes in a given world setting and may include things such as intellectual abilities, psychomotor skills, seniority or experience.

(g) Outcomes

All those factors that the individual perceives as having some personal value e.g. money, promotion, praise etc.

(h) Education Level

This term was used in this study to refer to Form Four (O Level), Form Six (A Level), University (Degree) or Post Graduate.

Harmonization of Vocations

For purposes of this study it was found prudent to harmonize naming of departments/vocations in the three corporations that go by different names yet they are involved in the same activity or require the same skills. Examples of harmonized vocations are shown in Table 1.

Table 1: Vocations Harmonization Flow

Corporation	Name Used	Harmonized Name
KRC	Corporation Secretary	Legal Officer
KPLC	Company Secretary	
KPLC	Management Accounting	Finance Officer
KRC	Financial Accounting	
	Finance Department	
KRC	CME	Engineering
	CCE	
	CE&CE	
TKL	O&M	Production

The aim was to have a common base from which to compare the differently named vocations. The harmonized vocations / departments are as shown in Table 2

Table 2: Harmonized Vocations

Vocations	
Security	R & D
Audit	M & C S
Legal Office	S & P
Finance	Eng
IT	Catering
HRAM	PR

CHAPTER TWO

LITERATURE REVIEW

Introduction

In this part a review of work done in this area was made. From the review, existing gaps was highlighted and comments made accordingly.

After an employee has been carefully recruited, selected, trained and developed, his separation from the employment in an organization through resignation - represents an obvious loss of time and money to the organization concerned. An excessive movement of staff out of an organization is both undesirable and expensive. This is more so, when it is least expected. It costs companies a lot of money to pay separation expenses, replacement costs, training costs and other labour turnover attendant costs. Krackhard and Porter (1986), describe the effects of resignation from 'epidemiological' perspective as a 'communicable disease'.

This turnover related costs are monumental. Several studies have confirmed this. Onyuma (1997), quoting studies by Casico (1991), emphasis that labour turn over accounts for a substantial amount of direct and indirect human and resources costs for businesses every year. Considering the enormous costs associated and incidental to resignations as cited earlier, management musts understand the root cause of the problem if they are to minimize level of turnover and hence reduce these costs. Management therefore, should find ways of reducing them (Onyuma, 1977). Separation represents the last phase of employee life cycle. Other phases in that order are Procurement, Development through Training, and Maintenance through various compensation programs and finally separation. Resignation is one of the ways by which employees are separated from an organization. Other ways are Dismissal, Death, Retirement, Outplacement, Layoffs and Retrenchment.

Resignation is not altogether dysfunctional and therefore it should not be the preoccupation of a firm to try to eliminate it altogether. Some degree of labour turnover is functional to the organization. It not only gives the organization an opportunity to get rid of unproductive and disgruntled staff but also a chance to replace them with high caliber staff. However, when employee separation (read resignation) has reached unprecedented levels, it is time to strive towards a better understanding of the problem in the hope of eventually proposing solutions.

Various studies conducted have come up with different views regarding causes of employee turnover. Samples of them are discussed in the following text.

Weaver (1970), studied the reasons why employees quit in San Antonio, Texas, USA a developed economy and he found out that the reasons are as varied as the employees themselves are. The reasons he found included resignation to accept another job, salary and fringe benefits, family reasons, leaving the workplace e.g. when husband is transferred, domestic problems, disability and return to school. His findings, however, comprise what may be termed as contextual factors. They are not directly related to the job. Studies conducted later concluded that it is not only the context of the job that influences the level of staff satisfaction and hence loyalty but also the job related factors i.e. job content. Futrell (1979:595), gave a comprehensive list of what he termed as job satisfiers.

They are:

- Work Content
- Control of work
- The actual tasks
- The organization and its management policies
- Promotion opportunities
- Working conditions

The degree to which the above conditions are met by employers determines the extent of employee satisfaction and hence decision to quit or stay. Some of the recent researchers have come up with different results, some of which look racial.

Gould (1980), argued that African workers have compartmentalized their working life from social life. He further argued that because of this, his (the African) job disatisfiers cannot be explained in terms of social or family life outside the work place.

Klubnik (1980), comments this about this situation. "The underlying philosophy is that new employees need to learn everything, (Nothing should be left to their individual effort). About our entire organization if they are to begin their careers with us on a positive knowledgeable note". They need to be acclimatized through good orientation programs. The employees need to know not only what happens in their various functional areas but also other functional areas of an organization. Apart from getting a planned induction, they should feel welcomed and recognized. The new employees should feel that they were given important reception. Thus a welcome address by a top executive (Chief Executive) will assure them of this. They should be given overview of the organization, taken on tours to branches etc. A day-by-day program will at least provide direction to the new employees.

Jackofsky et al (1986), revealed in his study that workers leave organization not because of job related reasons and therefore the traditional methods of arresting turnover such as realistic pre-views; job enrichment, etc. are inapplicable. The implications of these findings are that, job dissatisfaction is not confined to job related factors. Nzuve (1987), observed that a worker would be satisfied only if there is a match between his internal needs, external demands and his life stage in the work situation. Thus satisfaction is more than the job content and context. Notwithstanding the degree of dissatisfaction it is not always entirely true that the resultant effect was mass exit of staff. A study conducted by Mwaura (1993), among the staff of University of Nairobi (U O N) library, revealed a high percentage of dissatisfied workforce. But despite these alarming proportions of apparent dissatisfaction, workers turnover was evidently low. The possible explanation for this scenario is the level of unemployment kin general and low labour mobility

(Festinger, 1957).

Sherman (1987), listed some ways of pre-emptying employee quits. They are: -

Proper selections to ensure those good employees are selected. To operationalise his recommendation, he suggested that firms should:

- Give new employees a thorough orientation.
- Provide the supervisory bonding that they need.
- Managers must continuously help new employees develop their professional career path.

- Give employees feedback constantly.
- Provide avenues for handling personal problems.

Mududa (1983), in a study of the civil service found out that job security, which is a hygiene factor in Herzberg Model, was the most important factor that held employees onto their jobs. But, the irony in the case of parastatals is that though job security is relatively high most of those resigning join the private sector where job security is low but high in other factors. He found out that the factors contributing to continued service, in order of importance are job security, training opportunities, interesting work, good relations, and prospects for advancement among others.

An individual may resign from an organization because of seeing greater career prospects elsewhere and by extension when the internal environment in the present organization presents no prospects for him or her. However, some employees - managers and professionals in particular - change employment as part of a conscious career strategy. If done effectively, these resignations usually result in a promotion, a pay increase, and a new learning experience. Resignation of this nature where the sole driving force is to further one's career is called leveraging. However, astute managers use this technique sparingly because too many moves can lead to the label of 'job hopper'.

The Managers who resign seldom come back to the organization. In a study of 268 mobile Executives, only 3% (7 Executives) ever returned to an organization that they had left during their careers. This means companies rarely benefit from managers who resign to advance their careers. Thus, the Human Resource Departments must work hard to develop the loyalty of their employees, to reduce turnover and to retain valuable human resources because as studies have shown, once executives leave, they seldom come back. Prevention is therefore better than cure.

Organizational loyalty, measured using Stability Index, is never 'bought' with high pay or benefits, but through good management treatment and effective human resource practices, including career planning and development. By offering careers, not just jobs, many organizations nature a pool of talent that consistently allows them to staff senior management positions from among life-long employees. In the same study by Werther (1999), it was concluded that stability in Japan compared to America is relatively high because many firms in Japan only hire entry-level workers. This study introduces another dimension to the question of employee turnover, that is, to retain staff is not about hefty pay but opportunities, which allow individuals to realize their potentials.

Kiggundu (1989), on his part observed that in developing countries employees lack commitment to organizations because they are still preoccupied with lower level needs such as food, shelter, clothing etc. The implication of these is to look for jobs with means of attaining these basic needs i.e. "well paying job". This view is from Hertzberg's Hygiene Factor point of view.

On the relationship between gender and quit rate, Onyuma (1997), quoting the findings of Pencavel (1970), avers that there is a positive relationship between female variable and quit rate. A similar study conducted by Muchinsky and Tuttle (1979), concluded that males and females have different quit rates in similar jobs. This is from a demographic point of view.

An analysis of length of service of employees in most organizations indicates that a large percentage of voluntary quits occur in the first six months of employment, a fact that Inskeep (1970), attributed to errors in induction and placement. He concluded that stable employees (in relation to turnover) were over the age of twenty-nine (29) at hiring, owned homes, had prior work experience and had more than nine years of formal schooling. The age of 29 is relatively a young age. An employee at that early age has very high expectations and strives to achieve. According to him, most voluntary quits occur in the first six months of employment or during the induction period. The attitude that an employee develops about an organization during the first contact is very crucial. It will determine one's stay or otherwise in the organization. Effectiveness of orientation programs are thus judged on the basis of this.

In a similar study, Nzuve (1987), noted that many young managers regarded their abilities very highly. They join organizations with very high expectations. But they get frustrated/dissatisfied when the prospective employers don't regard their abilities as high by assigning them simple tasks. This raises the issue of incongruent perception of what makes an employee satisfied and hence continues to work for an organization. As Lloyds (2000), findings indicate, H R administrators and employees differ on this. Reporting the findings of a survey done by Development Dimensions International (DDI) of Bridgeville, Pa, she aver that a discrepancy exist between what companies believe causes turnover and why workers actually leave. The survey by DDI showed that employees and HR have opposing views as to why workers in general really leave an organization.

According to the findings, the causes of employee turnover differ depending on one's point of view. From the employees' point of view the top five factors they cite as most important in their work (and which thus make them more likely to stay in their current positions) and the value they attach to each are shown after every factor: Balance between work and outside life (84%), Meaningfulness of work (79%), Trust between co-workers (79%), Relationship with superiors (76%) and Compensation (75%). From the HR administrators point of view employees do leave because of the following factors: Opportunities for Growth and Advancement (74%), Compensation (58%), Level of stress (47%), Relationship with superiors (38%) and others / unspecified factors account for 38%.

It is to be noted from the findings that the managers or the HR administrators and employees give different weights to the same factors.

From the literature reviewed there seems to be no consensus on the factors that influence staff turnover. This is why all the prediction models developed in this area have as diverse independent variables as the models themselves. Among the variables considered include demographic variables such as gender, age, marital status, number of dependants, job tenure, effect of union, a firm's level of investment in human capital, social factors, rewards, supervision etc. The list is endless. Even rewards which for a long time have been held as the most important satisfier is not so according to expectation. Studies have shown that the efficacy of rewards which usually in the form of money and fringe benefits is greatly influenced by socio -

cultural factors (Nzuve, 1987). The same reward to two workers of different socio-cultural backgrounds have different motivational impact and hence loyalty to an organization.

It is because of this lack of consensus that makes it somewhat difficult to summarize and come up with a discrete list of causes of employee turnover. However, a group of "determinants" can be presented. The term determinant is loosely used here to describe any variable potentially related to turnover – either directly, indirectly, causally or correlationally. The general classes of determinants of turnover are: The state of the economy (e.g. availability of alternative jobs), Organizational variables such as leadership, reward systems, job design, and individual variables (Mobley, 1982). Individual variables include such factors as spouse's career, family considerations and others not mentioned.

CHAPTER THREE

THEORETICAL AND CONCEPTUAL FRAMEWORKS

3.1 Introduction

In this part the theory on which this study is founded is discussed. Also the variables involved are looked at. These are independent, dependent and moderating variables. It is also here that a conceptual framework is developed.

3.2 Theoretical Framework

The theory that was used is the Input-Outcome Equity Theory that was developed by Stacy Adams in 1965. This theory is rooted in the traditional employee- employer exchange whereby the employee give something (inputs) and then gets something in exchange (outcomes) from the employer. To elicit rewards, inputs such as some kind of work effort must be relevant to the employment relationship. Similarly, outcomes such as pay will not be effective unless they are seen as meaningful compensation.

The balance in the employment exchange can be calculated by dividing a person's outcomes by inputs. This relationship of inputs (I) to outcomes (O) can be expressed as below:

Equity

$$\frac{O_P}{I_P} = \frac{O_o}{I_o}$$

Inequity

$$\frac{O_P}{I_P} > \frac{O_o}{I_o} \quad \text{Or} \quad \frac{O_P}{I_P} < \frac{O_o}{I_o}$$

Where $_p$ stands for person

$_O$ stands for other

If the outcomes are greater than inputs, the person is being over rewarded and vice versa. But whether either of these imbalances contributes to feelings of inequity depends on how the affected person perceives the results of input- outcome comparison. Comparison per se does not result in feeling of either equity or inequity. The feeling of equity or inequity depend on how the person involved perceives the inputs and outcome of his/her reference group such as co-workers friends, fellow professionals etc.

This is an abstract process that takes place in the cognition of the affected person. An individual sets up the ratio of his/her inputs to outcomes and compares the value of that ratio with the value of the corresponding ratio for significant others. It is important to note that input and outcome are defined, as the individual perceives them and not necessarily their actual value. In the event a person perceives his/her input outcome ratio as unequal to that of the comparison person, a situation described by Festingers (1957), as cognitive dissonance arises.

3.3 Reaction to Inequity

Festingers (1957), contends that discrepant cognitions produce psychological tension within the individual and this tension is unpleasant to the individual making him/her to take a number of actions to reduce the tension and restore equity. A person who feels underpaid may for example contribute less time and effort to the job thus reducing inputs whereas a person who feels overpaid might feel "guilty". To reduce this guilt, the person might distort the balance by convincing himself/herself that he/she posses more skills than they actually do, or they can switch their reference group in order to achieve the perception of greater equity. For instance a very ambitious manager who has been comparing himself to the Company's top management, may decide instead to use his peers in the same department or he may try to justify the achievement of referent group to 'god fathers', nepotism etc. Those who find no way to restore equity may opt to escape the job situation by failing to report to work (absenteeism), requesting for a transfer or resigning.

Resigning is, however, an option that is taken when the conditions are extreme. The decision to quit is a substantial one. It represents an upheaval in ones life, breaking of many social bonds and fears of learning 'rules' of a new organization. Therefore, this decision is not made casually. In addition, a major controlling factor is the extensiveness of unemployment generally as well as in the field of the particular individual. Festingers' (ibid) study concluded that the more difficult it is to get a job, the less likely it is to quit the one you have, regardless of your level of satisfaction. Carsten and Spector (1987), in their study concluded that the relationship between unemployment and turnover (read resignation) is inversely related.

3.4 The Conceptual Framework.

Psychologist Stacy Adams points out that two primary components are involved in the employee - employer exchange, **inputs** and **outcomes.** Every employee makes inputs for which she/he expects a just return or outcome. The outcomes are dependent on the inputs. Inputs are, therefore, independent variables while outcomes form the dependent variables.

3.4.1 Independent/Dependent Variables

In this theory, the causality- effect relationship is deemed to exist between the independent and dependent variables. Example of input factors (independent variables) such as education, skills, time etc are weighed by individuals against the outcome (dependent variables) such as pay and job security. Table 3 summarizes the input and output factors.

Table 3: Factors considered when making Equity Comparison

Inputs / independent variables	Outcomes / dependent variables
Time	Pay/Bonuses
Education	Fringe Benefits
Experience	Challenging Assignment
Skills	Job Security
Creativity	Career Advancement
Loyalty	Recognition
Effort Expended	Participation in important decisions

An employee evaluates the input factors listed in Table 3 in relation to the outcomes and the job feelings of Equity/ Inequity revolve around a person's evaluation of whether he/she receives adequate compensation/rewards for inputs. The employees do this by comparing their perceived fairness of the employment exchange to that of the comparison persons. The comparison/relevant others can be persons within the same organization or without.

The comparison can result in any of the following situations:

(a) An equitable situation

In this, the outcome/input ratio is the same as that of the comparison person.

(b) Negative inequity situation

This arises when Outcomes/Inputs ratio of the comparison person is higher.

(c) Positive inequity situation

This is a situation where a person's Outcomes/Inputs ratio is higher than that of the comparison person. In situation (a) and (b) the employee is motivated and occasionally some quit because of positive inequity.

An employee may react to Equity/Inequity Situation as shown below in figure 2

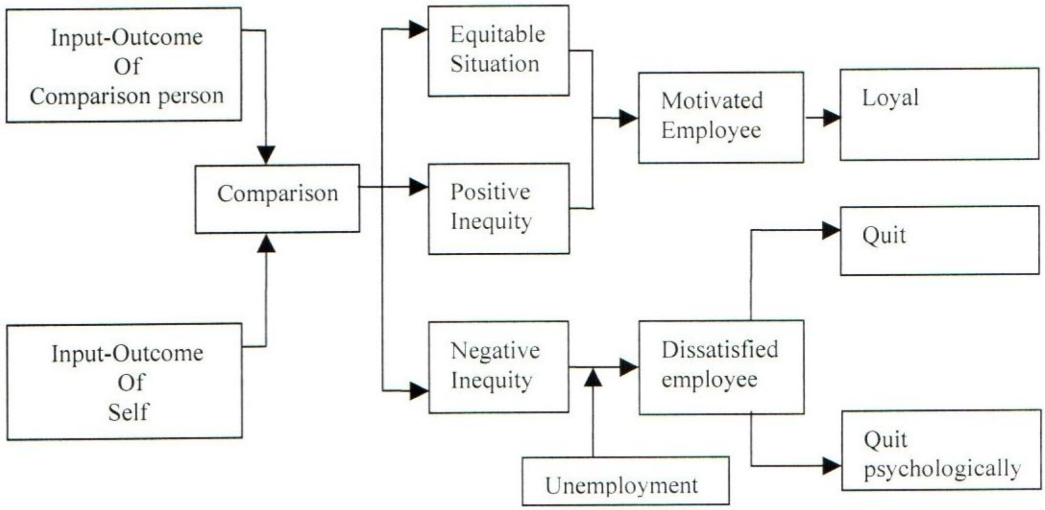

Fig. 2: A schematic representation of an employee's reaction to Equity/Inequity Situation

Source: "*Mowday (1979).*

According to Adams, an employee respond to this situation of inequity in any of the following ways listed in Table 4.

Table 4: Employee Response to Situations of Inequity

Method	Examples
1.The person may increase inputs	Work harder, attend school to enhance skills etc.
2. Leave the field	Resignations[1], Absenteeism etc.
3. Attempt to increase her/his outcomes	Seek outside intervention e.g. from the unions
4. Change comparison person	Look for another comparison person

3.4.2 Moderating variables

It is most likely that the manager turnover rate could be high in State Corporations but for a number of factors it may not be. This is because of a number of factors that come into play and moderate the problem. One of the major moderating factors is the occupational immobility. For instance in KRC employees possess skills that are unique to the corporation. Skills like maintenance of permanent way, as the railroad is called in railway jargon, possessed by Permanent Way Inspectors (PWIs), Permanent Way Engineers (PWEs) etc. cannot be applied elsewhere other than KRC. As K'obonyo (1981), puts it, employees have their unique skills and language making them immobile occupationally. This situation is fast changing with liberalization of

[1] Resignation is one of the possible responses of an employee. This response forms the thrust of this project.

the economy. The advent of competing rail companies such as Magadi Rail Company Ltd. is offering some room for mobility.

The other most likely factor is the high unemployment rate in the country. Because of this, there is no much chance of an employee quitting a job and easily getting another one elsewhere with ease. This is not to say that there is no employee turnover. The fact is that there are but is somewhat played down by this factor. High unemployment levels prevalent in the country makes employees more concern with materials and job security (Kamoche, 1992).

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

In this section, procedures and strategies used in the study are described. The section particularly focuses on population of study, model selection, selection of participant, data collection and an outline of methods that were used in the analysis and presentation of data. The instrument used in collecting data was specifically designed to meet the objective of the study as outlined in part one of this report.

4.2 Population of Study

The study was initially planned to comprise of all those management staff that resigned from the selected corporations between the years 1998 and 2002. This five – year period was picked on the assumption the selected sample size will be met by the number of those who resigned during the period. However, this was not to be the case, hence the decision to use whatever cases available irrespective of the year.

4.3 Sampling Design

It was initially proposed that the Exit questionnaires in the study were to be selected randomly in two steps:

Step one: Stratification

Since the managers in each of the corporations are regionally distributed, in accordance with the regionalization of their operations, it was mutually proposed that exit questionnaires were to stratified first according to their regions. This was important in that regional disparities do present different degree of impact to the same causal factor such that the same cause of resignation in the region may not be very significant in another. To take care of this, each region was to contribute to the study sample the same proportion as its ratio in the total managerial workforce. Regional quota and selection interval was to be determined.

Step two: Sampling

With the selection interval known the next process ought to have been the arrangement of each regions exit questionnaires in order of their personal numbers. Then, the first K^{th} exit questionnaires ought to have been listed in small papers and methodically folded. After proper shuffling a folded paper was to be drawn at random. The personal number in it was to be noted. That number and the subsequent numbers at K^{th} interval was to be included in the sample until the region's population of exit questionnaires were exhausted or the sample size required was met, whichever came first.

This meticulous process was not be. The number of exit questionnaires obtained from each of the corporation under study was less than the proposed sample size of fifty (50) for each. The numbers of Exit questionnaires actually obtained from each corporation were as follows: KRC –42, KPLC –39, TKL – 46. This being it was not, therefore, necessary to subject them to sampling. All were automatically included in the study.

Though the number of exit questionnaires from which the relevant information was to be extracted were less than the proposed sample size, they were, however , more than the statistically required minimum size of 30.

It should be noted from the onset that the available exit questionnaires are not indicative of the total number of staff who have resigned from the corporations under study. Staff turnover, through resignation are more than that. Information obtained from officers interviewed indicated that this number is obviously higher. This is because not all the managers who resign do so happily. Some of those who resign submit very short notification letters of their intention to quit without giving "correct" reasons while others don't fill the Exit questionnaires at all. Those who do, do so hastily thus often giving scanty information. Also some exit questionnaires due to poor filing or record keeping systems were misplaced.

CHAPTER FIVE

ANALYSIS, RESULTS, AND DISCUSSION

5.1 Introduction

This study sought to investigate the ages when exits are likely to occur, to identify the factors which triggers exit of management staff, to identify key managerial positions/vocations which are prone to resignations and to examine the effect of resignation on the overall staff turnover. Data extracted from exit questionnaires were analyzed by measures of central dispersion and location. Upon analysis the results were presented using various tools. The tools used include tables, graphs and figures. Not only do such tools give more clarity but enable one to understand the presented information quickly at a glance. Presentation of information using such pictorial devices is vital for easy appreciation of the significance of figures. In the words of Gupta (2000), diagrams are attractive and delight the eye while figures are dry.

5.2 Data Analysis Techniques

Descriptive statistics was used to analyze the data. Data concerning hypothesis 1 and 2 were analyzed by the use of frequencies, percentages, means and modes. ANOVA test of significance was performed to test hypotheses 1 and 2.

5.3 Data Organization and Presentation

In order to achieve the objectives earlier stated, data collected were sorted out and presented according to:

(a) The reason for exit

(b) The gender

(c) The Vocation

(d) The length of service

(e) Age

(f) Education level

The analysis began with extraction of reasons for exit. The reasons given by departed managers were varied, so it was necessary to coalesce them into homogeneous classes for better clarity and ease of analysis. When the reasons were sorted out according to the homogeneous classes and organizations, the results were as shown in Table 4.

Table 5: Distribution of Resignation According to Reason

	Corporation				
Reason for Exit	**KRC**	**KPLC**	**TKL**	**TOTAL**	**%**
Remuneration	5	7	9	21	16.7
Landed another Job	12	7	4	23	18.3
Return to School	9	2	7	18	14.3
Limited Promotion Prospects	2	7	6	15	11.9
Not Getting on Well with Superiors	3	5	6	15	11.9
Personal Reasons	2	4	6	12	9.5
Join Spouse	2	4	1	7	5.5
Run own Business	6	2	6	14	11.1
Others[2]	1	1	-	2	1.6
Total	42	39	45	126	100

From Table 5, it can be seen that the reason / factor that was given by the majority of the former managers was 'landed another job' (18.3%) followed by 'remuneration' with 16.7%. Other reasons in that order are 'return to school' (14.3%), 'low promotion prospect (11.9%) and 'not getting on well with superiors' (11.9%) and 'run own business' (11.1%).

[2] This included resigning on health grounds and unspecified reasons

At the individual's corporation level the same reasons seems to have different impact. In KRC 'landing another job' was cited by 28.6% of ex-management staff. This was followed by 'return to school' with 21.4%. Run own business and remuneration ranked 3rd and 4th with 14.3% and 11.9% respectively. In KPLC 'landing another job', remuneration and limited promotion prospects, were cited by the same proportion of ex-staff (17.9%). While in TKL the reasons commonly cited were remuneration (13.3%), not getting on well with superiors (13.3%) and to join spouse (13.3%).

Table 6: Gender and Resignation

	Corporation							
Gender	**KRC**		**KPLC**		**TKL**		**TOTAL**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Female	12	28.6	12	30.1	13	28.9	37	29.4
Male	30	71.4	27	69.9	32	71.1	89	70.6
Total	42	100	39	100	45	100	126	100

From the table above, it can be seen that the proportion of female to male resignees is almost equal in all the organizations under study. They average 30% and 70% respectively. This is the average gender proportion of employees in the three corporations.

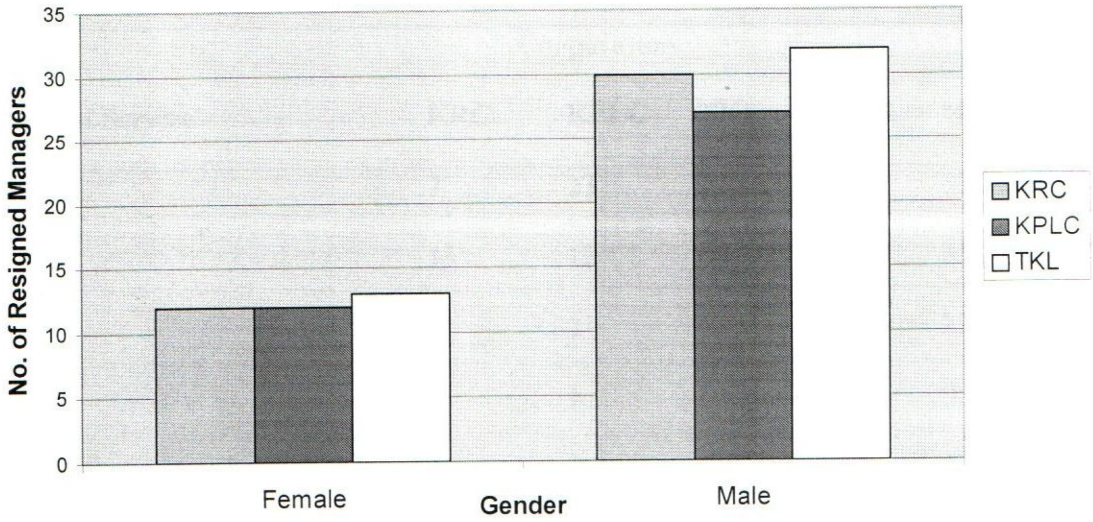

Fig. 3: Distribution of Resigned Managers by Gender

In Kenya gender employment tend to be in favour of males. Often the proportion of males to females is higher. This explains why the outcome of this study as it is.

Analysis was also done according to the length of service, and it showed a bi-modal length of service of 0-4 and 5-9 intervals. Details are shown in Table 7.

Table 7: Distribution According to Length of Service

	Corporation				
Length of Service	**KRC**	**KPLC**	**TKL**	**TOTAL**	**%**
0 – 4	7	23	12	42	33.3
5 – 9	15	12	15	42	33.3
10 – 14	12	3	13	28	22.2
15 – 19	6	1	5	12	9.5
20 –24	2	0	0	2	1.6
Total	42	39	45	126	100%
Mean (Years)	10.1	4.5	8		

From Table 7, it is evident that 68% of those who quit to do so when they have only put in between 0 – 9 years of service. The findings indicated that as the length of service increases, the number of employees who resigns tend to fall. These findings agree with the reality that most staff tends to avoid changing jobs after certain age. People make do with the jobs they have. The finding also seems to confirm what Inskeep (1970), found in his studies. He found out that employees quit in the early years of employment, a phenomenon he attributed to errors in selection, induction and placement.

Majority of staff change jobs in their youthful years because they are still ambitious and achievement driven. Myers (1981), concluded that staff change jobs as part of a conscious effort to get a promotion, pay increase or to advance in their careers. Young graduate employees get frustrated and resign when employers don't regard their abilities as high (Nzuve, 1987).

The same information tabulated in Table 6 above can be graphically represented as shown in Fig. 4.

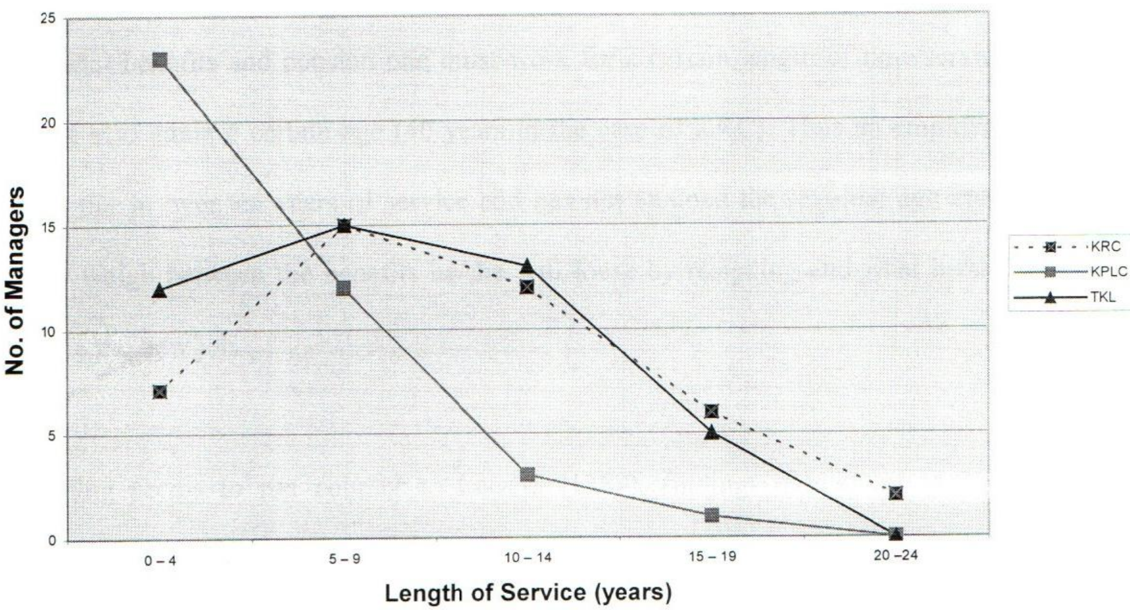

Fig. 4: Distribution of Resigned Managers by Length of Service

From the graph, resignations are generally high within the first ten years of service and decline gradually with increase in length of service. After 24 years of service, the number of resignations tends to approach zero. In two corporations, KRC and TKL resignations tend to be low in the early years of one's employment and reaches the peak at between 5 – 9 years of service, then gradually declines approaching zero at 20 – 24 years of service.

There are two possible explanations for this. One, in the initial years (0 – 9) employees are busy acquiring the much sought after job requirement – experience. This explains why resignation rise with rise in years of service. After ten years of service resignation take a downward trend. Two, resignation is inversely related to length of service because most organizations (Government institutions in particular) has restrictions on qualification to terminal benefits and pension. For one to qualify for terminal benefits and pension one must work for a certain length of time/service and must also attain a certain age (40 years in the case of KRC). Thus an employee who has put in over ten years of service and has not attained the required age must carefully weigh between the benefits he/she will loose by resigning and what he/she will get in the new job.

The finding seems to run counter to Landys (1989), findings, which he used in formulating his theory: Opponent – Process Theory. The theory advocates that individual's satisfaction with a particular reward will systematically change over time, even if the reward itself remains constant. For example, a job tends to be more interesting in the first few months or years than it is after say 10 years in the same job. If this were the case we would expect more resignations among those with long service. The findings in this study indicate otherwise. The numbers of resignees tend to decline with the elongation of service. This is probably because as the length of service increases occupational immobility tends to creep in. Also after a certain age, employees' focus tends to shift from career to other non – job related interests such as family, building a home and educating children/. Also after working for a given length of time, employees tend to establish social bonds and interest, which they would not want to break by changing jobs. People naturally fear change and are very careful treading on the unknown.

The findings showed that the vocation prone to resignation was Engineering and Human Resources. Also it was evident that a high number of men resign as compared to women. This was to be expected. The employment pattern in Kenya tend to be lopsided in favour of the male gender. In most organizations male gender employees are more than women.

In pursuant to objective two and hypothesis two, the data was analyzed according to their vocations or the departments they last worked in. The results were classified according to vocation and employer as shown in Table 8.

Table 8: Distribution According to Vocations/Departments

	Corporation				
Reason for Exit	**KRC**	**KPLC**	**TKL**	**TOTAL**	**%**
Security	3	4	4	10	7.9
Audit	2	4	3	9	7.1
Legal Office	2	1	5	8	6.3
Finance	4	4	3	11	8.7
IT	2	3	7	12	9.5
HRAM	6	5	2	13	10.3
R & D	1	1	5	7	5.6
M & CS	4	5	1	10	7.9
S & P	2	2	7	11	8.7
Eng	9	6	2	17	13.5
Catering	2	1	3	6	4.8
PR	3	1	2	6	4.8
Production	2	2	2	6	4.8
TOTAL	42	39	45	126	100

From the table above it is evident that Engineering vocation leads with the highest number of resignees. In a sample of 126 ex-staff 13.5% resigned from the vocation. in the three organizations under study the Engineering Vocation suffered comparatively higher number of staff exit. Equally volatile are HRAM vocations with 10.3%. Others are IT (9.5%), Finance (8.7%) and S&P (8.7%).

The data were also analyzed according to the ages of the employees at the time of their exit. Table 9 below is a summary of the results.

Table 9: Exit Questionnaire Data by Age

	Corporation				
Age Interval	**KRC**	**KPLC**	**TKL**	**TOTAL**	**%**
25 – 29	2	5	2	9	7.14
30 – 34	8	14	20	42	33.3
35 – 39	20	14	18	52	41.3
40 – 44	11	5	5	21	16.7
45 – 49	1	1	0	2	1.6
Total	42	39	45	126	100%

From the Table above, the overall mean resignation age was computed and found to be 38 years (see Appendix 3). The individual organizations respective mean ages in years were as follows: KRC – 445.6, KPLC – 34.1 and TKL – 34.4. The overall common resignation age interval was 35 – 39. This age bracket represents 41.3% of all the resignation cases studied. At the individual organization level the modal resignation brackets are: KRC – 35-39, KPLC is bimodal with 30 – 34 and 35 – 39 age brackets. Common resignation age bracket for TKL is 30 – 34.

Whether one's education level does play a role in affecting resignation was also looked at. The results are shown in Table 10.

Table 10: Distribution According to Education Level

	Corporation				
Education Level	**KRC**	**KPLC**	**TKL**	**TOTAL**	**%**
'O' Level	11	13	7	31	24.6
'A' Level	14	14	16	44	34.9
Degree	15	9	16	40	31.7
Post Graduate	2	3	6	11	8.7
Total	42	39	45	126	100%

Irrespective of the employer, the analysis showed that most of the staff who resign have either 'A' Level or 'Degree' Level of education.

Employers usually use education level as a criteria when engaging staff. Those with higher academic qualifications usually join organizations at higher grades (Management level). This may explain why the majority of management exit in organizations studied are of this academic levels. The same results can be graphically depicted as shown in Fig 5. Hypothesis testing

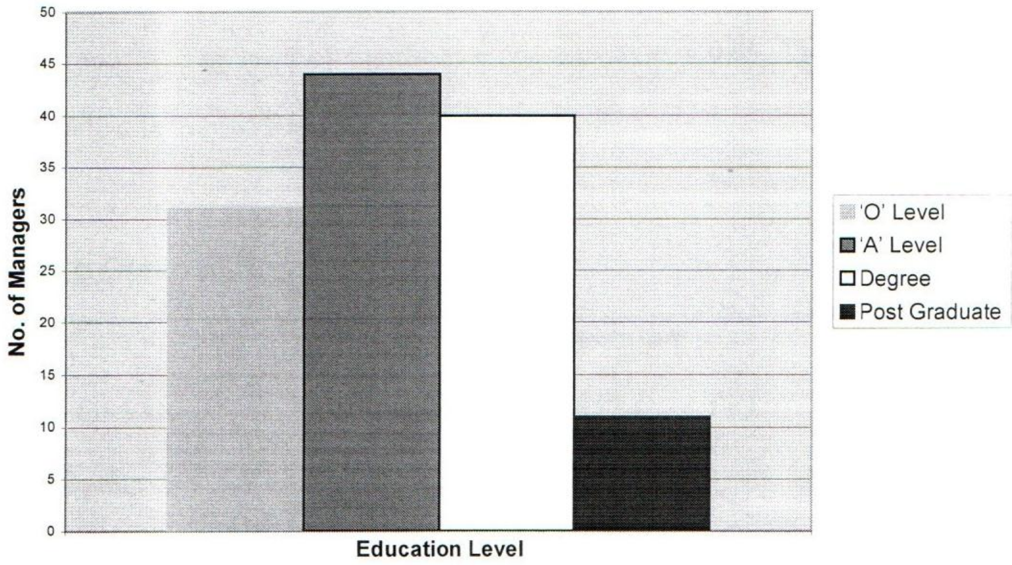

Fig. 5: Distribution of Resigned Managers by Education Levels

5.4 Hypothesis Testing

To test hypothesis ANOVA was used. This analysis technique was preferred because of the following reasons:

i) The technique enabled us to test the effect of more than one independent variable on response variable by analyzing variations within and between the samples. In the case at hand resignation may be triggered by more than one factor in the same corporation.

ii) It works for both equal and unequal sample sizes.

The hypotheses tested were:

i) The reasons for resignation are not organizational specific.

ii) There was no significant difference between resignation and one's vocation.

Both hypotheses were tested at $\alpha = 0.05$ level of significance. To get results for testing the hypotheses, SPSS Version 9.0 computer program was used to analyze the data in Table 8 and 11. The level of significance chosen was $\boldsymbol{\alpha} = \mathbf{0.05}$. The run results are shown below in Table 12 and 13.

Table 11: Observed Responses

	Corporation				
Reason for Exit	**KRC**	**KPLC**	**TKL**	**TOTAL**	**%**
Remuneration	5	7	9	21	16.7
Landed another Job	12	6	4	22	17.5
Return to School	9	2	7	18	14.3
Limited Promotion Prospects	2	7	6	15	11.9
Not Getting on Well with Superiors	3	5	6	15	11.9
Personal Reasons	2	4	6	12	9.5
Join Spouse	2	4	1	7	5.5
Run own Business	6	2	6	14	11.1
Others[3]	1	-	-	2	0.8
Total	42	39	45	126	100%

[3] Includes those resigning on Health Grounds and Unspecified reasons

Results of Hypothesis 1

The results of hypothesis one is shown in Table 12.

Table 12: ANOVA Results – Reasons for Exit

Source of Variation	SS	df	MS	F	P-Value	F-Crit
Rows	114.6667	8	14.333	2.13665	0.09337	2.591094
Columns	2	2	1	0.149068	0.862693	3.633716
Error	107.333	16	6.70833			
Total	224	26				

Interpretation of the Results

Since the value of the calculated F is less than F critical we fail to reject hypothesis 1. This means the causes of resignation are not different in all the organizations under study. They are not organization specific. In other words they cut across the organizations.

Results of hypothesis 2

The results of hypothesis 2 are shown in Table 13.

Table 13: ANOVA Results – Exit by Vocations

Source of Variation	SS	df	MS	F	P-Value	F-Crit
Rows	114.6667	8	14.333	2.13665	0.09337	2.591094
Columns	2	2	1	0.149068	0.862693	3.633716
Error	107.333	16	6.70833			
Total	224	26				

Interpretation of the Results

The calculated values of F in both columns and rows are less than the critical values, with 24 degrees of freedom. Since this is the case we fail to reject hypothesis 1. This means there is no relationship between resignation and an employee's vocation.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATION

6.1 Introduction

In this section, a summary and general conclusions based on the research, findings of the study are provided. Also in this section recommendations based on the conclusions of the study are provided. Finally, the part points out some of the possible areas for further study that may be envisaged on the strength of the findings in this study.

6.2 Summary

The study dealt with only one form of employee turnover that is resignation and limited itself to study of one category of employees-the managers in three state owned corporations namely IKRC, KPLC and TKL.

The study investigated the factors that influence managers to resign. Other pertinent issues investigated included the gender, age, academic level vocation length of service etc of those who resign.

The study also reveals that most of those who resign are of 'A' and Degree level of education. The most affected vocations in the three corporations under study are Engineering, Human Resource and IT.

The study began on the premise that a population of more than 50 exit questionnaires could be obtained in each of the three corporations under study. On the strength of this assumption a sample of 50 exit questionnaires from each corporation was pre-fixed.

Upon going to the field, the author managed to get exit questionnaires as follows: KRC – 42, KPLC – 39 and TKL – 45. Though the originally intended sample size was not met, the statistically required size of 30 was met.

In summary, the study has shown that most managers resign to advance their career. The top cited reason is 'landing another job' followed by remuneration. It is to be noted that these two reasons are related in the sense that often when an employee resigns because of landing another job, in most cases, the remuneration aspect is at the back of it.

Also the study revealed that the mean resignation age is higher for KRC with 45.6 years followed by TKL with 34.9 years. KPLC mean age is 34.8 years. The implication of this is that at KRC employees tend to be relatively stable.

1. Most resignations occur at the age of 35 – 39. This is a very prime age when an employee's performance ought to be at its best. But because of certain reasons as revealed in the study they are forced to resign. There is need to nib these factors to avoid attendant cost enumerated earlier.
2. The reasons cited by managers as influencing their decision to quit are 'landing another job' (17.5%), 'remunerations' (16.7%), 'Return to school' (14.3%) and Limited promotion prospect (12.6%).
3. Female ratio among the resignees averages 30% in all the organization studied. The female-male proportion is about 30:70.

4. All vocations are prone to resignation but to different degree. Judged by the percentage of resignation, Engineering leads with 13.5% followed by HRAM with 10.3%. Others are IT (9.5%), Finance (8.7%), S&P (8.7%) and security (7.9%).
5. Resignation tends to be insignificant after both age 45 and 9 years of service.
6. The reasons for exit are not common across the corporations. This is based on the results of hypothesis testing.
7. The modal length of service was found to be between 0 – 9 years. This is the critical period when resignations are likely to occur.
8. The mobility of staff tends to be high among holders of 'O' and 'A' level of education.

6.3 Conclusions of the Study

The study had two objectives. The first was to investigate the factors that triggers employee exit in the selected corporations. The second was to identify the vocations that are most affected. The author therefore set out to study the causes of resignation in the aforementioned organizations.

From the analysis and discussion of the information from the three organizations the following conclusions were made. It was evident that the two reasons that top the list of causes of resignation among management staff were landing another job and remuneration.

KRC has relatively stabled work force than the other two corporations. This was based on the average length of service computed. KRC has an average length of service of

10.1 years, KPLC 4.5 years and TKL 8 years. The mean resignation age of staff in the three corporations were as follows: KRC – 45.6, KPLC – 34.1 and TKL – 34.4.

Also in the three organizations it was noted that resignation is positively related to education. Those of higher level of education are more likely to resign than others. Tied to this is the vocation, it is apparent that those with higher level of education are more often in the vocations prone to resignation.

6.4 Recommendations

Based on the conclusion drawn from the study, the following recommendations are made and the same are expected that they will help the affected corporations to minimize, though not to eliminate resignation. Few of them are listed below:

The organization in question should strive to improve remuneration. It is evident from the study that most managers resign after landing another job. This can be tied together with the second ranked reason – remuneration.

It is also recommended that some intelligence should be employed to find out the contextual and content of the jobs the resignees land in order to assist in rectifying the situation in the organizations under study so as to pre-empt future resignations. This can be done by incorporating the results of intelligence into the work setting of the organizations. Just as marketers do market intelligence, Human Resource specialists should also establish HR intelligence network.

The vocations revealed to have higher turnover owing to resignation should be further looked into. The organizations under study should device ways of making such vocations attractive so that staff are retained.

In order to minimize direct and indirect costs that accompany staff resignation it is important for an employer to pre-empt such eventuality by preventing them right from retirement, selection and socialization. This can be done through proper selection of staff who will not only stay reasonably long with the organization but also perform as expected.

6.5 Limitations of the Study

i) Insufficient Funds

This study for it to be adequately reflective of this position in quasi-government sector ought, to have covered all the corporations. But to conveniently operate within the financial bounds, it was prudent to limit the study to three corporations.

ii) Lack of time

The time allocated for this study was so short that it was not feasible to collect adequate data

iii) Luke warm co-operation from Senior Managers

The period during which the study was conducted coincided with a very historic moment in the history of Kenya. A new Government was busy constituting its team. Wave of changes was being anticipated in all sectors of the economy. Seniors managers were strewn_to their pocket radios in their offices not sure of next changes. With their uncertainty it was difficult though not impossible to get adequate data.

6.6 Areas for Further Research

1. This study was restricted to three corporations that were arbitrarily selected. It is doubtful if they are representative of the Quasi-Government sector. The findings may not hold for other State owned Corporations in this sector. A comprehensive study comprising of all the 400 plus firms in this sector will do.

2. Also, as was indicated right from the start the study looked at flight of one category of employees in these organizations- the managers. Another study should look at all categories of staff.

3. Due to some limitations in this study, it was not possible to test the effect of resignation on the overall staff turnover due to unavailability of data on other facets of staff turnover such as dismissals, deaths, and retrenchment. It would be worth while to test this hypothesis in another study.

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APPENDICES

Appendix 1

Instrument used in collecting data

Name of Corporation: …………………..

Ex/Quest. No.	Gender	Age	Education Level	Entry Grade	Exit Grade	Date of 1st Appt.	Exit Date	Service
Total								

Appendix 2

KR/113

Kenya Railways

Certificate of Clearance

For staff leaving the service of

Kenya Railways Corporation

Date ……………

NAME: ……………………………………………………………………………

DESIGNATION: ……………………………………………………………………………

GRADE: ……………………………………………………………………………

CHECK NO.: ……………………………………………………………………………

DEPARTMENT: ……………………………………………………………………………

SECTION: ………………………………………………………………………………………

REASON(S) FOR LEAVING: ………………………………………………………………………

NO	ITEM(S)	EXITING STAFF SIGNATURE AND DATE	HOUSING SUPERINTENDENT OFFICE STAMP & DATE
1	Telephone Liability		
2	Last Water Bill		
3	Last Electricity Bill		
4	Clearance by Housing Secretary		

FOR OFFICIAL USE ONLY

Date of First Appointment			
Date of Exit			
Service			

Verified By *Approved By*

NEXT SUPERIOR *HEAD OF DEPARTMENT*

Appendix 3

Computation of Mean Resignation Age: KPLC

$$\overline{X} = A \pm \frac{\sum fd}{N} \times C$$

Where $\overline{X}$ = Computed Mean

A = Assumed Mean

d = Deviations of mid points from A

f = Frequency of Observations

N = Total number of Observations

C = Class Interval

Age Interval	m	f	d=(M-A)	fd
25 – 29	27	5	-8	-40
30 – 34	32	14	-3	-42
35 – 39	37	14	2	28
40 – 44	42	5	7	35
45 – 49	47	1	12	12
		$\sum$f = 39		$\sum$fd = -7

NB: Assumed mean of 35 was used because on average one is aged approximately 25 years on completing education and training. By the time he has worked for 10 years he/ she is 35 years.

Therefore :

$A = 35$

$N = \sum f$

$C = 5$

$\overline{X} = 34.1$ Years

The same procedure was followed for KRC and TKL. Their computed means are:

KRC = 45.6

KPLC = 34.1

TKL = 34.4