

AN ANALYSIS OF LABOUR TURNOVER: CAUSES AND EFFECTS.

**A CASE STUDY OF MINISTRY OF LABOUR AND HUMAN RESOURCE
DEVELOPMENT, KENYA**

EGERTON UNIVERSITY LIBRARY

LEONARD K. BII

CM11/0244/05

**A research Project submitted to the Board of Postgraduate Studies in Partial Fulfillment for
the Requirement of the Award of the Degree of Master of Business Administration of Egerton
University**

+

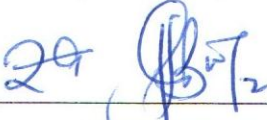
EGERTON UNIVERSITY

June, 2007

2007/72560X

DECLARATION

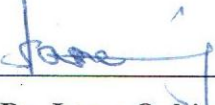
This research project is my original work and has not been presented for the award of any other degree or diploma in any university.

Signature 
Leonard K. Bli
CM11/0244/05


Date 29.06.07.

RECOMMENDATION

This research project has been submitted for examination with our approval as University supervisors.

Signature 
Dr. Isaac Ochieng

Date 29.06.2007

Signature 
Dr. R.K. Chepkilot

Date 29.06.07

COPYRIGHT

©2007 By Leonard K. Bii

No part of this research project maybe reproduced, stored in a retrieval system, transcribed, in any form or by any means electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the author.

DEDICATION

This research project is dedicated to my wife Ruth and children Edmond and Emmanuel.

ACKNOWLEDGEMENT

I would like to thank my research supervisors Dr. Ronald Chepkilot and Dr. Isaac Ochieng for all their support, guidance and patience throughout this project. They have been inspirational during my graduate experience at Egerton University. I would also like to thank my family, in particular my wife Ruth and children Edmond and Emmanuel for their support and understanding during my graduate study.

Next I would like to thank my friends and advisors and instructors along the way, without their support, I would not have accomplished as much as I have.

Finally, I would like to give special thanks to the Government of Kenya and in particular the top management of the Ministry of Labour and Human Resource Development for sponsoring me in the entire course and in particular giving me a two year study leave to facilitate my quick completion of the course, without their support my cherished dream would not have been achieved.

ABSTRACT

Labour turnover in nearly all organizations worldwide have raised great concerns. Rapid exit and entry of employees into an organization presents serious obstacles to organizations in achieving their organizational goals. Labour turnover should be analyzed in order to forecast future losses and to identify various reasons for people leaving the organization. Thus, the study sought to analyze labour turnover in the Ministry of Labour and Human Resource Development and to establish its causes and effects. The study adopted ex-post factor research design. It utilized the existing records of the employees who had left the organization to establish causes of their exit. The Ministry comprised of 1221 employees categorized into departments which they belonged and were randomly selected by sampling 10% of the total population in each department/Work station (field offices). Human resource officers were purposely included in the sampled population (They were custodian of personnel records). The instrument used in the study was pilot – tested to ascertain its reliability and was validated by educational experts. The study provided information for the managers of the Ministry, to be used in the curbing the high rate of labour turnover and re – engineering the working environment, enhancing level of job satisfaction of employees and to retain them in the organization. Data was collected through the use of structured questionnaires for primary data and document analysis for secondary data. Data was analyzed descriptively. Descriptive statistics involved the use of mean and percentages.

TABLE OF CONTENTS

	PAGE
DECLARATION.....	(i)
RECOMMENDATION.....	(ii)
COPYRIGHT	(iii)
DEDICATION	(iv)
ACKNOWLEDGEMENT.....	(v)
ABSTRACT.....	(vi)
TABLE OF CONTENTS.....	(vii)
LIST OF TABLES	(x)
LIST OF FIGURES.....	(xi)
LIST OF ABBREVIATION AND ACRONYMS.....	(xii)
CHAPTER ONE – INTRODUCTION	
1.1 Background to the Study.....	1
1.1.1 Institutional Review (Ministry of Labour and Human Resources Development)....	2
1.1.2 The Ministry’s Mandates.....	3
1.1.3 The Ministry’s Core Functions.....	3
1.2 Statement of the Problem.....	4
1.3 Objectives of the Study.....	4
1.4 Research Questions.....	4
1.5 Significance of the Study.....	5
1.6 The scope and Justification of the Study.....	5
1.7 Limitations of the Study.....	5
1.8 Assumptions of the Study.....	6
1.9 Definition of Terms.....	6
CHAPTER TWO- LITERATURE REVIEW	
2.1 Concept/Definition of Labour Turnover.....	7
2.2 Uses of Labour Turnover Measurements.....	10
2.2.1 Shortcoming of Labour Turnover Measurements (Labour Turnover Index and Labour Stability Index).....	11
2.3 Causes of Labour Turnover.....	12
2.4 Cost of Labour Turnover.....	14

2.5	Reducing Labour Turnover.....	16
2.6	Conceptual Framework.....	17
CHAPTER THREE- RESEARCH METHODOLOGY		
3.1	Research Design.....	18
3.2	Target population.....	18
3.3	Sampling Design.....	18
3.4	Data collection.....	18
3.5	Data analysis.....	19
CHAPTER FOUR - RESULTS AND DISCUSSIONS		
4.1	Introduction	20
4.2	Results	20
4.2.1	The Rate of Labour Turnover in each Department of the Ministry	20
4.2.2	The Rate of Labour Turnover by Job cadre	21
4.2.2.1	The Rate of Labour Turnover at the entire Ministry	22
4.2.2.2	Labour Turnover Index at the Ministry	22
4.3	Causes of Labour Turnover at the Ministry	24
4.4	Effects of Labour Turnover on service Delivery at the Ministry	25
4.5	Job cadre affected mostly by Labour Turnover	26
4.6	Level of Job Satisfaction at the Ministry	26
4.7	Employee Morale	27
4.7.1	Attitude of top Managers towards the Ministry's employees	28
4.7.2	Attitude of Employees towards their work	29
4.7.3	Reasons for Job satisfaction	29
4.7.3.1	Reasons for Job Dissatisfaction.....	29
4.7.4	Possible reasons for leaving the Ministry now	30
4.7.5	Discussions	30

CHAPTER FIVE – SUMMARY, CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS

5.1 Summary34

5.2 Conclusion from the Study35

5.3 Implications37

5.4 Recommendations38

References.....41

Appendix 1: Interview Guide/Letter to Respondents.....43

Appendix 2: Questionnaire.....44

Appendix 3: Sampling Frame Ministry of Labour Offices Country Wide.....47

LIST OF TABLES

Table I	Rate of Labour Turnover per Departments.....	21
Table 2	Rate of Labour Turnover per Job Cadre.....	21
Table 3	Rate of Labour Turnover at the Ministry	22
Table 4	Labour Turnover index at the Ministry	23
Table 5	Causes of Labour Turnover at the Ministry	24
Table 6	Effects of Labour Turnover on Service delivery and Performance.....	25
Table 7	Job Cadre affected mostly by Labour Turnover	26
Table 8	Level of job satisfactory at the Ministry	27
Table 9	Employee Morale.....	28
Table 10	Managers attitude towards Employees.....	28
Table 11	Attitude of Employees towards their Work	29
Table 12	Staffing levels at the Ministry	48
Table 13	Employees employed in the Ministry between Jan 2002 – Dec 2006.....	48
Table 14	Employees who have left the Ministry on account of various reasons	48
Table 15	Participation by Province	49

LIST OF FIGURES

Figure 1.....	17
---------------	----

LIST OF ABBREVIATIONS AND ACRONYMS

IPPD	-	Integrated Personnel Payroll Design
IPD	-	Institute of Personnel and Development
DOHSS	-	Directorate of Occupational Health and Safety Services
MLHRD	-	Ministry of Labour and Human Resource Development
SPSS	-	Statistical Package for Social Scientists
EST	-	Establishment
HRME	-	Human Resource and Manpower Department.
S.E	-	Standard Error
SD	-	Standard Deviation
N	-	Number of Observations

CHAPTER ONE: INTRODUCTION.

1.1 Background to the study

Labour turnover is the movement of people into and out of any organization Graham (1978). It is the rate of change in working staff levels during a given period of time and it signifies the shifting of workforce into and out of the firm on the assumption that a leaver is eventually replaced by a new employee. The term separation is used to denote an employee who leaves for any reason. Rapid exit and entry of employees into an organization presents a serious challenge and obstacles of attaining organizational goals. The twin goals of productivity and performance of employees can be achieved through comprehensive personnel policies, programs and practices. Labour turnover should be analyzed in order to forecast future losses and identify the reasons for people leaving the organization Armstrong (2000). Plans can then be made to address the problems causing unnecessary wastage and to replace uncontrollable losses. The human resource planners should therefore understand how to measure wastage and how to analyze its causes and effects.

Labour turnover has a number of positive and negative effects. On a positive note, staff turnover provides incentive to recruit fresh staff; it enables the organization to shed off staff more easily where redundancies are planned i.e. through "natural wastage". Staff turnover also opens up promotional channels for long serving employees and also introduces an element of self selection among new employees, which may save dismissal at a later stage. On a negative note, staff turnover leads to additional cost of replacement, recruitment, disruption of production of goods and services caused by leavers, additional training cost, especially induction and initial job training, wasted investment in people, may lead to difficulties in attracting new staff Cole (1996).

In the last five years there has been an increased trend of employees leaving the Ministry resulting in under capacity. This has greatly hampered the delivery of services to the public. The exact figures indicate the rate to be on a higher side (managers 56.6%, technical staff 60.6%, and support staff 41.2% respectively).

In Kenya human resources move from one organization to another in search of better terms and conditions of employment. Each year professionals in the field of human resource management and occupational health and safety are affected.

The Ministry of Labour and Human Resource Development loses quite a number of employees to the private sector where the terms and conditions of service are attractive. Human resources are the most dynamic of all organizations resources, they need considerable attention from organizational management if they are to realize their full potential – motivation, leadership, communication, work restructuring, payments systems, training and development may all be included in management of labour turnover. In order to efficiently and effectively achieve its intended performance and productivity the Ministry needs to curb the high rate of labour turnover. This study made recommendations which are expected to help the Ministry in attaining a stable workforce which is a prerequisite in achieving increased performance and productivity.

1.1.1 Institutional Review (Ministry of Labour and Human Resources Development.)

The Ministry of Labour and Human Resource Development is one of the oldest government Ministries having existed, as a department of the Ministry of Education, before independence. After independence it was made a full Ministry of Labour with mandates of labour administration issues and industrial skills development. In subsequent changes in the organization of Government a number of other functions have either been added or transferred to other ministries.

1.1.2 The Ministry's Mandates

In addition to the authority of the Presidential Circular on the organization of the government, the mandates of the Ministry of Labour and Human Resource Development also emanate from other official documents that have been developed over the years. They include the following:-

(I) Acts of Parliament

1. Employment Act Cap. 226 that provides the basic terms and conditions of employment;

2. The regulation of Wages and other Terms and conditions of Employment Act, Cap. 229 which sets out the machinery and modalities for the fixation of statutory minimum wages and other terms and conditions of employment in industry;
3. The workmen's Compensation Act Cap. 236. This Act provides for compensation to workers who are injured in the course of duty;
4. The Trade Union Act, Cap. 233 that provides the legal framework for formation, registration and regulation of staff associations, employees' associations and employers' organizations;
5. The Trade Disputes Act, Cap. 234, which sets out the machinery for dispute settlement for enhanced industrial harmony and welfare workers.
6. The Industrial Training Act Cap 237, which provides for regulation of the training of persons engaged in industry.
7. The Factories and Other place of Work Act, Cap 514. This piece of legislation provides for health and safety in work places.
8. International Labour Organization (ILO) Conventions and Regulation as well another labour-related and safety in work places.
9. The Industrial Relations Charter of 1984

(MLHRD; strategic plan 2005-2009).

1.1.3 Core Functions

The following are the core functions Ministry of Labour and Human Resource Development.

1. Promoting harmonious industrial relation in the country.
2. Ensuring compliance with national international labour standards, laws and codes of practice as well as review of labour standards and domestication of international standards.
3. Promotion of Occupational Safety and Health services.
4. Human Resource Planning Development, Management and Employment.
5. Judicial Determination of Industrial Disputes and Registration of Collective Bargaining Agreements.
6. Development of the Micro and small Enterprises.
7. Provision of Labour market information

8. Provision of Industrial training
9. Ensure adequate facilities for vocational skills development, trade testing and certification
10. Decent work for All
11. Industrial peace and harmony (MLHRD; strategic plan 2005-2009)

1.2 Statement of the Problem

In the last five years there has been an increased trend of employees leaving the public service ,in particular the Ministry of Labour and Human Resource Development resulting in under-capacity thus making the Ministry incapable of delivering satisfactory services to the members of the public MLHRD-annual report (2005). However there was little in terms of documented information on the causes and effects of these scenarios. Therefore the study sought to analyse the causes and effects of this situation in the Ministry of Labour and Human Resource Development, as an example of other public sector organizations in the Kenyan government.

1.3 Objective of the Study

The broad objective of the study was to analyze labour turnover, its causes and effects in the Ministry of Labour and Human Resource Development. In order to achieve the above broad objective the following specific objectives were pursued.

- i.To establish the rate of labour turnover in each department.
- ii.To establish the rate of labour turnover by job cadre.(Managers ,Technical staff ,Support staff)
- iii.To establish the rate of labour turnover in the Ministry of Labour and Human Resource Development
- iv.To identify the causes of labour turnover in the Ministry.
- v.To establish the effects of labour turnover on service delivery in the Ministry
- vi.To determine which job cadre is mostly affected by labour turnover.
- vii. To establish the level of job satisfaction in the Ministry.

1.4 Research Questions

- i. What is the rate of labour turnover in each department of the Ministry?
- ii. What is the rate of labour turnover in each job cadre?

- iii. What is the rate of labour turnover in the entire Ministry?
- iv. What are the causes of labour turnover in the Ministry
 - v. What are the effects of labour turnover on service delivery in the Ministry?
- vi. Which job cadre is mostly affected by labour turnover?
- Vii. What is the level of job satisfaction in the Ministry?

1.5 Significance of the Study

The study was of great importance and it was worth time and money to carry out. It was beneficial to the management of the Ministry, employees and researchers. The findings of the study would be useful in curbing high rate of labour turnover thus attaining a stable workforce. This lead to better service delivery and efficiency in attaining organization goals. The employees benefited through improved employee/ industrial relations. The study also acts as a basis for future research on the subject of labour turnover.

1.6 The Scope and justification of the study

The study involved 122 (one hundred and twenty two respondents) sampled from the Seven (7) provinces of Kenya .It involved both males and females of all cadres employed in the Ministry. The study was undertaken at the Ministry mainly because the Ministry had been affected adversely by high rate of labour turnover and because the Ministry is responsible for the general dissatisfaction amongst employees in the public service due to its inability to formulate and implement labour legislations which advances the course and betterment of terms and conditions of employment for public servants. The Ministry was responsible for: promotion of sustainable industrial harmony between employer and employees, provision of mechanism for speedy and fair resolution of industrial disputes in the public sector, ensuring that all work places are healthy and conducive, developing policies, guidelines, programmes etc for planning development and implementation which were prerequisite for curbing high rate of labour turnover.

1.7 Limitations of the Study

- i. Lack of significant research and literature on the subject of labour turnover.
- ii. Record keeping at the Ministry was poor.

1.8 Assumptions of the Study

- i. It was assumed that the leadership of the Ministry of Labour and Human Resource Development recognizes these problems, in agreement and was committed to support recommendations that the study proposed.
- ii. The researcher assumed that the problems discussed were faced by all departments in the Ministry and accounted for majority of factors that affected the level of job satisfaction.
- iii. The researcher assumed that employees who had left were hard to reach, assumption was that the survey on the Ministry's employees was that the factors causing dissatisfaction amongst employees could be subjected or assumed to be factors that caused labour turnover (caused exit of former employees)

1.9 Definition of Terms

Labour turnover: Exit and entry of employees into organizations

Wastage: Severance from the organization through voluntary retirement, resignation and dismissal, including deaths.

Employee separation: It is used to denote an employee who leaves the organization for any reason.

Brain drain: The movement of highly skilled and qualified people to where they can work in better conditions and earn more money.

Authorized officer: An officer of the rank of the Permanent Secretary in the central government who is delegated power to hire on behalf of a government agency e.g. Public Service Commission.

Accounting officer: An officer empowered to utilize resources and account for the same within the central government e.g. Permanent Secretary, Commissioner of Police and Prisons, Controller of State House.

Survival curve: A curve presented graphically, by plotting the percentage of the employees leaving against quarter periods of service.

Job groups/job grades: A system of grouping or grading jobs in the public sector according to their responsibility (normally from job group A- at the lowest to job group T- the highest).

Benchmarking: Comparing the organizations standards of performance in one or more key aspect of strategy in terms of that of first-class competitor or comparable organizations.

CHAPTER TWO: LITERATURE REVIEW.

2.1 Concept/Definition of Labour Turnover

Labour turnover has been defined widely by various authors. Their definitions have provided varied horizons of perceiving the labour turnover; however all have converged into similar understanding. According to Cole (2001) "Labour turnover provides information about the ratio of leavers over the number of employed during the course of the year". This can be symbolized by the formula.

$$\text{Labour turnover index} = \frac{\text{Number of employees leaving during the year}}{\text{Average number employed during the year}} \times 100$$

(Cole, 2001)

The above formula has been alluded by Armstrong (1991) who notes that Labour turnover can be referred to as Labour turnover index or Labour wastage index. In his definition labour turnover is the determination of the number of employees who leave the organization. This definition provides a basis of accounting for the number of employees who leave the organization, hence help in forecasting the number of employees to be replaced in the organization. It highlights the dynamics of employees which prompts further investigations to establish the underlying causes and identify remedies of high labour turnover. In another perspective by Appleby (1991) labour turnover is measurement of the number of employees leaving a company. This can be calculated by dividing the total separations or the total replacements by the average number of the working force and expressing the results as a percentage. In this context separations are the employees who leave the organization due to various factors such as death, retirements, layoffs, and those looking for greener pasture. According to Mamoria (1991) Labour turnover can be defined in more or less the same way as explained by other authors. However he introduces the term accession and separation into definition of labour turnover. He states that it is the rate of accession and separation during the same year. In measuring the magnitudes of labour turnover (Cole 2001) argues that a turnover of rate of 25% would be considered perfectly satisfactory by most firms but the turnover rate of 100% would be considered a major problem that is a threat to the existence of the organization.

CHAPTER TWO: LITERATURE REVIEW.

2.1 Concept/Definition of Labour Turnover

Labour turnover has been defined widely by various authors. Their definitions have provided varied horizons of perceiving the labour turnover; however all have converged into similar understanding. According to Cole (2001) "Labour turnover provides information about the ratio of leavers over the number of employed during the course of the year". This can be symbolized by the formula.

$$\text{Labour turnover index} = \frac{\text{Number of employees leaving during the year}}{\text{Average number employed during the year}} \times 100$$

(Cole, 2001)

The above formula has been alluded by Armstrong (1991) who notes that Labour turnover can be referred to as Labour turnover index or Labour wastage index. In his definition labour turnover is the determination of the number of employees who leave the organization. This definition provides a basis of accounting for the number of employees who leave the organization, hence help in forecasting the number of employees to be replaced in the organization. It highlights the dynamics of employees which prompts further investigations to establish the underlying causes and identify remedies of high labour turnover. In another perspective by Appleby (1991) labour turnover is measurement of the number of employees leaving a company. This can be calculated by dividing the total separations or the total replacements by the average number of the working force and expressing the results as a percentage. In this context separations are the employees who leave the organization due to various factors such as death, retirements, layoffs, and those looking for greener pasture. According to Mamoria (1991) Labour turnover can be defined in more or less the same way as explained by other authors. However he introduces the term accession and separation into definition of labour turnover. He states that it is the rate of accession and separation during the same year. In measuring the magnitudes of labour turnover (Cole 2001) argues that a turnover of rate of 25% would be considered perfectly satisfactory by most firms but the turnover rate of 100% would be considered a major problem that is a threat to the existence of the organization.

However he stated that “whilst the labour turnover index is useful in broad terms, it has some distinct disadvantages.” Cole (2001). This is because of the following limitations;-

- 1) It does not indicate the areas or departments of the organization in which the labour turnover is high.
- 2) It does not identify the length of service of those who are leaving the organization.
- 3) It fails to indicate any certain change in the number, employed from one year to the next.

These disadvantages means that further questions have to be asked about the movement of people through and out of the organization. For example, which units are experiencing a high rate of labour turnover of the staff? How long have the leavers served in the organization? Are the numbers employed in the year concerned typical or do they represent an increase or decrease on previous years? The limitations pose questions about the use of labour turnover index in estimating the rate of labour turnover. However, important aspects such as labour stability and length of service analysis have been taken into consideration in calculating labour turnover index. The expression of the formula is as follows;-

$$\text{Labour stability index} = \frac{\text{No. of leavers with more than 1 year service}}{\text{No. Employed one year ago}} \times 100$$

(Cole,2001)

The disadvantage of the stability index maybe partly overcome if an analysis is also made of the average length of service of people who leave. This analysis is still fairly crude, because it deals with only those who left. Amore refined analysis would compare for each service category the number leaving with the number employed.

Armstrong (1977) argues that apart from the analysis of the employee’s length of service, it is also important to obtain information for different categories of employees, especially those that are most difficult to attract and retain such as knowledgeable workers or highly skilled workers. The method of analyzing turnover which is importantly useful for human resource planners is the survival rate. This is the proportion of employees engaged within certain period who remain with the organization after so many years of service. It is difficult to avoid use of conventional labour turnover index; it is the easiest and most familiar of all methods of measurements. But it needs to be supplemented with some measure of stability.

An analysis of labour or wastage as part of human resource planning exercise requires detailed information on the length of services of leavers to identify problem areas and to provide a foundation for supply forecasts Armstrong (1977).

Graham (1978) subscribes to the use of labour turnover index and labour stability index in measuring labour turnover in organizations, however he introduced a third dimension of measuring labour turnover which is to study a group of employees recruited during a certain period(usually three months) and record the rate at which they leave the company. Example-based on assumption that the company engaged 500 new employees during the period.

No	Quarterly periods of service	Numbers leaving	% Leaving	%Remaining
1	1-13 weeks	200	40	60
2	14-26 weeks	100	20	40
3	27-39 weeks	50	10	30
4	40-52 weeks	25	5	30
5	53-65 weeks	15	3	22
6	66-78 weeks	10	2	20
7	72-91 weeks	5	1	19
8	92-104 weeks	5	1	18

Source-Graham (1978)

These figures are sometimes presented graphically, by plotting the percentage leaving against quarterly periods of services. The results is called survival curve.

Waweru (1984) argues that there are various methods of calculating Labour turnover rate depending on the purpose of one calculating them. The general formula however lumps together all cases of service termination, retirements, deaths, dismissal and resignation to give a single rate. The formula reads.

$$\frac{\text{Mean number of termination per period}}{\text{Mean number of employees per period}} \times 100$$

(Waweru,1984)

Before this formula is arrived at or can be made use of, however a careful analysis of who quits when is necessary. However it should be remembered that labour turnover measurement by itself takes no account of the characteristics or length of service.

2.2 Use of Labour turnover measurements

The separation rate is easier to calculate and is widely used; it has the great advantage of indicating cost, because termination and replacement can involve the company in considerable expenses. It's however misleading for two reasons, recently engaged employees are more likely to leave than long service employees and therefore an increase workers 250 leave during the year giving a separation of 25%, the true position might be as follows:

150	jobs vacated	filled once	=150 leavers
25	"	filled twice	= 50 leavers
10	"	filled thrice	= 30 leavers
5	"	filled four times	= 20 leavers
Total	190	Jobs vacated	total leavers =250

In such a case the separation index give a false impression because 100 out of 250 are short service employees- though the cost of replacing them can be considerable. The stability index is best used in conjunction with separation rate, showing the extent to which the company is retaining its experienced employees, the stability index would be

$$\left(\frac{1000 - 190}{1000} \right) \times 100 = 81\%$$

(Graham ,1978)

The method of analyzing Labour turnover which is often used by Human Resources Practitioners is the survival rate, Armstrong (2000). It shows that the tendency of employees to leave is greatest during the early weeks with the company it is useful in showing if the company is losing particularly high number of Employees early in the service than other periods. It is often instructive to compare survival rates in different departments, survival rate shows the proportion of employees engaged within certain period who remain with the organization after so many years of service.

2.2.1 Shortcoming of Labour Turnover Measurements (Labour Turnover Index and Labour Stability index)

Labour turnover index is in common use because it is easier to calculate and to understand, but it can be positively misleading. The main objection of the measurement of labour turnover in terms of proportion of those who leave in a given period is that the figures may be inflated by the high turnover of a relatively small proportion of the workforce, especially in times of heavy recruitment. The turnover index is also suspect if the average number of employees upon whom the percentage is based is unrepresentative of the recent trends because of considerable increase or decrease during the period in the numbers employed.

The stability index provides an indication of the tendency of longer serving employees to remain with the company, and therefore shows the degree to which there is continuity in employment, but this too can be misleading because the index will not reveal the vast difference in situations that exists in a company or department with high proportion of long serving employees with one where the majority of employees are short service. This disadvantage of the stability index may be partly overcome if an analysis is also made of the average length of service of people who leave.

2.3 Causes of Labour Turnover

Analysis of the reasons for leaving the organization by accession or separation provides useful information for counteracting the increase in labour turnover and hence improves attraction and retention of employees. Armstrong (1977) advances the following reasons for employees leaving the organization.

1. Search for better pay
2. Search for better prospects
3. Search for job security
4. Search for opportunity to develop skills
5. Search for better working conditions
6. Poor employee – Employer relationship
7. Bullying and harassment

8. Personal reasons such as illness, pregnancy or moving from one place to another (residence relocation, joining family).
9. Poor relation with colleagues.

Despite the above reasons of dissatisfaction, there is a need to sort out the genuine complains from unjustified or exaggerated reasons .An analysis of trends is more appropriate method of analyzing labour turnover. A study by Waweru (1984) in Kenya found out that resignation was the highest cause of labour turnover. The study further revealed that the turnover rate in Kenya has been declining and that it was about 1% per month. In two large firms owned by Asians and Britons turnover rate was 2% and less than 1% respectively. Regarding the remuneration, the Asian firms paid about half what the British firms paid. Morale was quite low in the Asians firms particularly when compared to the British firms. It is possible that the difference in labour turnover was caused by poor personnel policies and practices. More often, labour turnover is considered to be an indication of failure in personnel management practices and policies. However the analysis should be made more careful, particularly reasons for exists should take more attention, rather than lumping together all cases of termination retirement, deaths dismissals and resignation. The reasons for separate analysis of each case of exit are to provide information for human relation adjustment purposes.

In a separate study by Bombay textile Committee in India of 1981, they reported accessions and separation rates of 1.46 and 1.33 respectively was revealed. The conclusion made regarding this low rate in labour turnover was that employment and unemployment was a permanent and stable feature of the labour market in India. So it was not easy for a worker to leave a high pay job in the Industrial sector to unpredictable job else where. This trend is more likely to differ with Kenyan system since unemployment is not more serious problem as compared to India.

A study by Birir (2005) at Moi Teaching and Referral hospital Eldoret, found out that most separation cases was due to resignation, death, termination on disciplinary grounds, termination on ground of ill health, and desertion of duty. The finding of the study revealed that accessation was greater than separation in the year 2000 to 2001. The labour turnover index at Moi Teaching and Referral Hospital Eldoret was as follows 3.02% in 2001, 2.26% in 2002, 0.226% in 2003, and 2.06% in 2004. It general indicated that the rate of leaves to those employed was low and

there were more employees joining than those leaving, however too low rate of labour turnover has got its own limitation since there is a risk of the organization employees developing conformity of the culture of the workplace and resistance to change. The study further revealed that labour turnover impacted negatively on employee moral and employee level of job satisfaction. In the study employee morale and employee level of job satisfaction showed a significant positive correlation of $p < 0.5$ significant level with rate of labour turnover this means labour turnover influence employee morale and employee level of job satisfaction and that organization rate of labour turnover influence productivity at work.

Merits and Demerits of Labour Turnover.

Merits

1. It provides incentives to employee new staff.
2. It enables organizations to shed staff easily (through natural wastage).
3. It opens promotional channels for longer serving employees.
4. It introduces an element of self selection among the new employees which may save dismissals at a latter date. (Cole,2001)

Demerits

1. Additional cost of replacement and recruitment.
2. Disruption to production of goods and services caused by leavers.
3. Additional training cost especially induction and initial job training.
4. Wasted investment in people.
5. May lead to difficulty in attracting new staff. (Cole,2001)

On balance, a small amount of turnover is a positive benefit, as the above-mentioned advantages suggest, especially when an organization is going into decline. For most organizations, however, the extra disruption and recruitment required to offset more than a small amount of turnover are unwelcome.

2.4 Cost of Labour Turnover

Graham (1978) –Notes that separations and their subsequent replacements can be surprisingly expensive. The cost of labour turnover increases when employees are more specialized, more difficult to find and require more training. The cost of labour turnover includes;

1. Lower production during learning period.
2. Loss production while the employee is being replaced.
3. Payment to other employees at overtime rates while waiting for replacement.
4. Possible diversion of efforts of more highly skilled employees while waiting for replacement.
5. Possible sub-contracting of jobs or work
6. Cost of recruitment, selection and medical expense
7. Administrative cost of removing from and adding into the payroll.

Therefore when the separation is high the employer can incur considerable cost which is not immediately obvious .However no conclusion can be drawn as to how each variable affects the overall cost. A survey of labour turnover in United Kingdom published in Dec 1997, by the institute of personnel and development indicated that the cost of replacing staff has increased significantly. Taking a detailed look at the available data on labour turnover in United Kingdom, the independent researchers and industrial relations services, argued in 1997 that the economic recovery in Britain has lead to increasing numbers of resignation and skills shortage, which in turn are leading to substantial resourcing problems for employers. At the same time labour turnover is being adopted by many organizations as “benchmark” indicator of performance and business efficiency. Further more a survey by the confederation of British industry reported that “Employers can influence labour turnover,” Employee development bulletin Sep 1997 argues that management intervention in employee relations can make a large difference to labour turnover rates and improve performance and productivity of an organization. (Institute of personnel development in 1997, the Institute of Personnel and Development (IPD), which represents human resource managers and is one of Britain largest professional associations, carried out a survey on labour turnover. The survey relates to the calendar year 1996 and actually confirms the prevalence of high labour turnover and the high cost involved.

(Institute of Personnel Development, labour turnover survey, 1997 results). The overall conclusion of the IPD survey was that the costs of labour turnover associated with all occupational groups, with the exception of unskilled workers, had increased over the period of the survey. Part-time workers (22%) were more likely than their full-time counterparts (16%) to leave their jobs over the period, and there were wide variations between industrial sectors. The hotel and leisure industry and the publishing industry reported the highest levels of labour turnover while respondents in the chemical industry, local government and the National Health Service reported the lowest levels. In terms of occupational groups, the highest labour turnover rates were to be found among sales staff (23%), while the lowest was to be found among management and administration staff (11%). There was also a relationship with the size of an organization, with full-time employees being more likely to have high rates of turnover (18.9%), while part-timers in these organizations had the lowest rate of turnover (9.6%).(Institute of Personnel Development labour turnover survey, 1997 results)

2.5 Reducing Labour Turnover

According to Graham (1978), all employers expect to have a certain degree of labour turnover; without it the company would stagnate, no doubt many companies would be content if their separations rates lay between 10% and 15% though few rates in the private sector of industry and commerce are below this, if the employer wishes to reduce labour turnover because it is excessive for the industry one may adopt the following actions.

- 1 Recalculate the separation rate for various categories of employers (e.g. department) to see if the labour turnover is high, if so it can be specially investigated. Ensure that recruitment and selection procedures are adequate, fair and equitable. Suitable employees are more likely to stay longer than unsuitable employees.
- 2 Ensure that immediate supervisors, by being involved in recruitment and selection, feel some responsibility towards a new employee.
- 3 All employees should be fully utilized – some may be leaving because of boredom or job dissatisfaction.
- 4 Overhaul job structure, perhaps using job evaluation.
- 5 Introduce or improve induction process.
- 6 Give employee's appropriate training.

- 7 Show that prospects within the company are good by promoting from within whenever possible.
- 8 Ensure that physical working conditions are adequate in general; an increase in job satisfaction and in the cohesiveness of working groups will decrease the rate of labour turnover.

2.6 Conceptual Framework

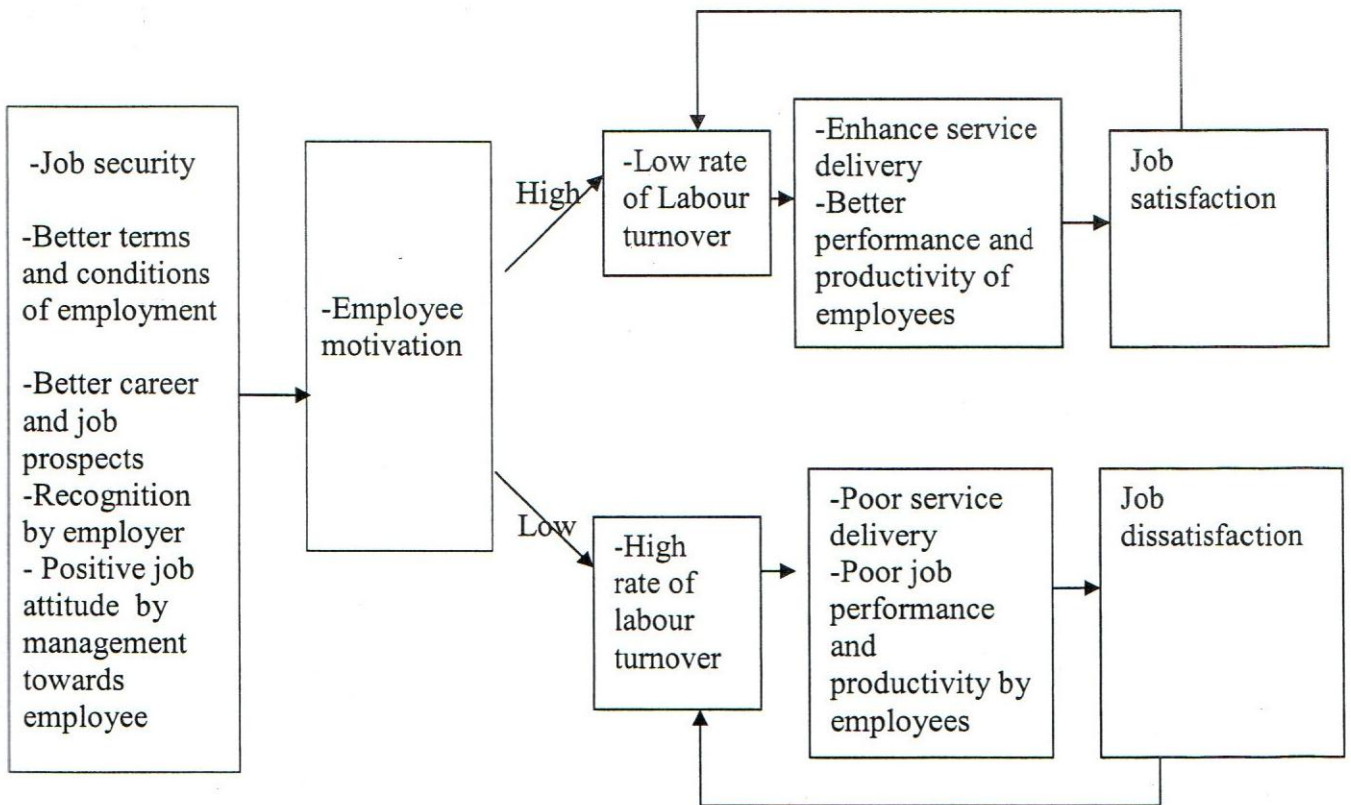
The study conceptualized that labour turnover had impacted negatively on employees level of job satisfaction in the Ministry. Labour turnover index provides an important indicator for the overall growth and health of an organization, Cole (2001) states that low rate of labour turnover was favourable for performance and productivity of any organization, while high rate of labour turnover signifies poor human resources policies, programs and practices. Labour turnover had a significant impact and effect on delivery of services and employees level of job satisfaction in the Ministry. The rate of Labour turnover and the kind of coping strategies determined the level of job satisfaction. The above interrelationship can be illustrated in the following figures which guided the study.

Figure: 1

Conceptual Framework (diagram)

Independent variables intervening variable

Dependent variables



(Source-self)

Interaction between Variables

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study employed ex – post facto research design. Ex- post facto research design determines and reports the way things are (status quo). The main characteristics of the ex-post facto research design is that the researcher has no control over the variables; what had happened or what was happening can only be reported. Ex –post facto research design is used for descriptive studies; one seeks to measure such things as mean, percentages, frequencies. Ex-post facto studies also includes attempts to discover causes even when the variables cannot be controlled .The data collected was analyzed descriptively using percentages and means.

3.2 Target Population

The target population of the study was all employees of the Ministry of Labour and Human Resource development (total number 1221 as at December, 2006).The Ministry's headquarters, Provincial and Districts offices countrywide were all included.

3.3 Sampling Design

The sample was selected using stratified sampling and simple random sampling. The offices (stations) were stratified into departments (see sampling frame). Stratified sampling was used to select the cadres or category of staff for the study (stratified by positions). Purposive sampling was used to select human resources officers / personnel officers in the Ministry Headquarters (custodians of personnel records – for easy access to the same). A total of 122 employees took part in the study.

3.4 Data Collection

The study employed a questionnaire to collect primary data. For the field staff selected for the study, a questionnaire was mailed to them; it was accompanied with a return to sender envelope and valid stamp (This ensured immediate return after filling). Other information (secondary data) was obtained by content (document analysis). The secondary data indicated the number of employees who had exited and those who had joined the Ministry at the same period. Data for those who had left included date of leaving, possible reason for leaving, and their respective job groups. A proforma was drawn to collect such data.

Validity

A test is said to be valid if it measures what it claims to measure best. Kerlinger (1973) stated that validity refers to the extent to which an instrument is good in measuring what it was designed to measure; validation was done with the help of experts, researchers and lecturers from the faculty of commerce to ensure content and face validity.

Reliability

Reliability refers to the consistency of an instrument to demonstrate the same response repeatedly. It applies in connection with multiple scales and whether a scale is measuring a single concept and the items making up the scale are internally consistent. In the study the researcher employed Cronbach (Alpha-Coefficient) to determine reliability of the research instrument. Reliability of the questionnaire was tested at $P > 0.70$ significance level. The purpose of reliability test was to guide and identify various omissions and any problem that the researcher would encounter during data collection. The instrument was taken for piloting in a population similar to the target population. In this case, twenty four employees of the Ministry were selected randomly from the seven provinces (those who took part in the pilot study were not included in the final study). The objective of piloting was to allow for modifications of various questions in order to rephrase, clarify, clear or modify any ambiguities in the questionnaire.

3.5 Data Analysis

Data was analyzed descriptively using mean and percentages. The analysis of data was done with the assistance of a computer program Statistical Package for Social Science research (SPSS).

CHAPTER FOUR

4.1 RESULTS AND DISCUSSIONS

In this chapter the finding of the study on the 'Analysis of labour turnover causes and effects.' are presented by the use of descriptive statistics (means and percentages) and a brief discussion. The result was presented in the order in which the research questions are stated. The findings in this section are presented in broad subsections. These are:

1. The rate of labour turnover in each department of the Ministry.
2. The rate of labour turnover by job cadre (Managers, Technical staff and support staff.)
3. The rate of labour turnover in the entire Ministry of Labour and Human Resource Development.
4. The causes of labour turnover at the Ministry.
5. The effects of labour turnover on service delivery and performance at the Ministry
6. The job cadre affected mostly by labour turnover at the Ministry.
7. Level of job satisfaction at the Ministry.

4.2 Results.

4.2.1 The Rate of Labour Turnover in each Department at the Ministry.

To answer the research question '*what is the rate of labour turnover in each department of the Ministry*'. (These departments included Labour department, Directorate of Occupational Health and Safety services, Directorate of Human Resource Development.)

To establish the rate of labour turnover in each department the researcher used document (content) analysis. This provided data regarding establishment in each department, those in service, variance and percentage variance in each department for the period Jan 2002 – Dec 2006.

TABLE 1

Rate of Labour Turnover per Departments 2002 -2006

DEPARTMENT	ESTABLISHMENT	IN SERVICE	- VARIANCE	% VARIANCE
LABOUR	618	268	350	56.6
DOHSS	284	112	172	60.6
HRM/E	1433	841	592	41.3

Source: Analysis of results (Research Data)

From the findings it was noted that all the three departments of the Ministry had been affected adversely by labour turnover. The rate of labour turnover in each department was far above the rate of 25% considered perfectly satisfactory by most firms (Cole 2001).

4.2.2 The Rate of Labour Turnover by Job Cadre.

To answer the research questions *'what is the rate of labour turnover in each job cadre' (i.e. Managers, Technical staff, and support staff)*. In this study document (content analysis) was used to establish the rate of labour turnover by job cadre. (The managers referred to employees of the Ministry on job group N to T; the technical staff referred to employees on job group J to M, while support staff referred to those employees on job group A to H).

TABLE 2

Rate of Labour Turnover per job cadre

JOB CADRE	ESTABLISHMENT	IN - SERVICE	VARIANCE	% VARIANCE
MANAGERS	46	24	23	50
TECHNICAL STAFF	583	221	362	62.1
SUPPORT STAFF	1704	976	728	42.7

Source: Analysis of results (Research Data)

The findings revealed that technical staff (Those in job group J to M) had a high rate of labour turnover. The employees in those job cadres were vested with the responsibility of implementing government policies which were often formulated by top policy makers.

4.2.2.1 The Rate of Labour Turnover at the entire Ministry

To answer the research question; '*what is the rate of labour turnover at the entire Ministry of Labour and Human Resource Development*'. To establish the rate of labour turnover at the Ministry of Labour and Human Resource Development the researcher used document (content analysis). The rate of labour turnover at the Ministry was in respect of the period Jan 2002- Dec 2006.

Table 3; Rate of Labour Turnover at the Ministry

PERIOD	JAN	ESTABLISHMENT	IN - SERVICE	VARIANCE	% VARIANCE
2002-DEC2006		2335	1221	1114	47.7

Source: Analysis of results (Research Data)

The findings revealed that the Ministry had experienced high rate of labour turnover in the period under consideration, the study sought and found details on the Ministry's establishment, those in service, variance and percentage variance during the period. The fact that so many employees left the service presented serious obstacles to the organization in trying to achieve its desired goals. Labour force stability is key to achieving such goals.

4.2.2.2 Labour Turnover Index.

The concept of labour turnover index provided information about the ratio of leavers over average number employed during the course of the years. This was symbolised by the formula below.

$$\text{Labour Turnover index} = \frac{\text{No of Employees leaving during the year}}{\text{Average number Employed during the year}} \times 100$$

The labour turnover index highlights the dynamics of employees which provides the need for investigation to establish the underlying causes and to identify remedies for high rate of labour

The labour turnover index highlights the dynamics of employees which provides the need for investigation to establish the underlying causes and to identify remedies for high rate of labour turnover. From the findings of the study, labour turnover Index at the Ministry of Labour and Human Resource Development was established (see table 4). The formula above was used to establish the labour turnover rate.

TABLE 4

Labour Turnover Index at the Ministry for the Period 2002 -2006.

YEARS	2002 -2006
No. Employed	16
No of separation	1114
Turnover Index	69.6%

(Source: Analysis of results) Research Data

From the above calculations and tabulations the labour turnover index of 69.6% was found to be excessively high. This indicated that the ratio of leavers to those who were employed was very high. This scenario contributed to unfavourable climate in the work place. A labour turnover Index of 25% was considered perfectly satisfactory by most researchers, while 100% would be considered to be a major problem. The Ministry's labour turnover index of 69.6% was gravitating towards the 100% mark which was unacceptable. This called for urgent review of the organisation's human resource policies, programmes and practices which were prerequisites in managing labour turnover.

4.3 Causes of Labour Turnover at the Ministry

The fourth research question sought to find out the causes of labour turnover in the Ministry. Table 5 below gave the mean score, the standard error and standard deviations of the possible causes of labour turnover at the Ministry.

TABLE 5; Causes of Labour Turnover at the Ministry

CAUSES	N	MEAN	STANDARD. ERROR	STANDARD DEVIATION
Lack of job security	113	3.4513	.1199	1.27469
Low pay	115	4.4261	.0677	.72621
Lack of career progression	115	4.1565	.0694	.74447
Lack of training and development	115	4.2609	.1725	1.85002
Poor employee relations	114	3.9123	.0895	.95530
Poor working conditions	112	3.8839	.0938	.99318
Harassment at work	114	3.0614	.1123	1.19945
Poor promotional prospects	114	4.1140	.0632	.67521
Rigid job structures	115	3.5739	.0989	1.06013
Poor relations with colleagues	113	3.1858	.1169	1.24319
Personal reasons(illness, pregnancy, migration)	115	2.7739	.1011	1.08467
valid n(list wise)	115			

Source: Analysis of results (Research Data)

In this study various variables were responded to and the variables causing the highest rate of labour turnover were indicated as above (major causes only).

- (a) Low pay with an indicative mean score of 4.4261
- (b) Lack of Training and development opportunities with an indicative mean score of 4.26
- (c) Lack of career progression with an indicative mean score of 4.155
- (d) Poor promotional prospects with an indicative mean score of 4.11
- (e) Poor Employer – Employee relations with an indicative mean score of 3.91.

It was instrumental to note that employees sought for better terms in any employment situation and in particular matters touching on their career progression and development pre-occupied their minds in any employment matter and in-fact these were the determinants in any entry and exit from organizations. The findings established that the Ministry of Labour and Human Resource Development and by extension the entire public sector scored lowly in matters touching on employees remunerations and career planning , career progression and development of its workforce, hence the rapid exit of its employees.

4.4 Effects of Labour Turnover on Service Delivery at Ministry.

The fifth research question sought to establish the effects of labour turnover on service delivery in the Ministry. Table 6 below gave the indicative mean score, the standard error and standard deviations on the effects of labour turnover on service delivery and performance

Table 6: Effects of Labour Turnover on Service Delivery and Performance

	N	MEAN	STANDARD ERROR	STANDARD DEVIATION
SERVICE DELIVERY	113	4.0885	.0962	1.02258
PERFORMANCE	115	4.1217	.0811	.87005
Valid N(list wise)	113			

(Source: Analysis of results) Research Data

Labour turnover had a negative and adverse effect on service delivery and performance as reflected in the indicative mean score of 4.08 and 4.12 respectively. The findings established that the organization rate of labour turnover influenced productivity at work. Rapid exit and entry of employees into any organizations lead to – overloads, uncertainty amongst staff members and more so employee motivation and employee level of job satisfaction was adversely affected.

4.5 Job Cadre affected mostly by Labour Turnover

The sixth research question of the study sought to establish the job cadre affected mostly by labour turnover. The respondents indicative mean score for each job cadre as they perceived was as follows Management 2.6, Technical staff 3.71 support staff 2.97.

TABLE 7; Job cadre Affected mostly by Labour Turnover

JOB CADRE	N	MEAN	STANDARD ERROR	STANDARD DEVIATION
MANAGEMENT	113	2.6372	.1111	1.18066
TECHNICAL STAFF	115	3.7143	.1166	1.24999
SUPPORT STAFF	113	2.9735	.1303	1.38526
Valid N (list wise)	111			

Source: Analysis of results (Research Data)

These results indicated that the technical staffs were affected mostly by labour turnover. This also served to affirm the findings from document/ content analysis that the rate of labour turnover was high amongst technical staff of the Ministry.

4.6 Level of job satisfaction at the Ministry.

The seventh research question of the study sought to establish the level of job satisfaction in relation to the current terms and conditions of employment on service. Table 8 below gives the mean indicative mean score for each statement therein on whether the employees of the Ministry were satisfied with their current terms and conditions of employment, the mean indicative score was 2.02 which meant the majority of employees were in disagreement and hence the finding indicated that the employees were not satisfied with their current terms and conditions of employment. This was causing dissatisfactions amongst employees; the indicative mean score of 4.39 pointed out that dissatisfaction amongst employees of the Ministry was caused by poor terms and conditions of service.

TABLE 8; Level of Job satisfaction at the Ministry

N	STATISTIC	MEAN	STANDARD ERROR	STANDARD DEVIATION
Satisfaction with the current terms and condition of service	115	2.0267	.1162	1.24577
Dissatisfaction with the current terms and conditions of service	115	4.3913	.0888	.95233
Lack of recognition by management	115	3.9826	.0838	.89817
Valid N (list wise)	115			

(Source: Analysis of results) Research Data

On whether lack of recognition by top management of the Ministry caused employee dissatisfaction, a mean score of 3.9 indicated a strong approval of the statement. Lack of recognition by management in job execution or job performance lead to job dissatisfaction. Employees felt a sense of satisfaction when management of any organization recognizes their contribution especially when they attain the set targets.

4.7 Employee morale

When the respondents were asked to indicate whether work overload causes low morale amongst employees, most respondents agreed that work overload is responsible for low morale in the Ministry. The findings were shown in the **table 9** below.

TABLE 9: Employee Morale

N	STATISTIC	MEAN	SE	SD
Work overload	115	3.8435	.1102	1.18167
Valid N (list wise)	115			

Source: Analysis of results (Research Data)

Work overload lead to stress, sickness, fatigue amongst other variables in employees in any organization. With an indicative mean rate of 3.84 the Ministry's staff may be unable to discharge their responsibilities due to high rate of labour turnover.

4.7.1 Attitude of top Managers towards the Ministry's employees

The study attempted to establish the attitude of top managers towards the rest of the employees of the Ministry. (See table 10 below)

TABLE 10: Managers attitude towards employees

	N	MEAN	STANDARD. ERROR	STANDARD DEVIATION
Management attitude towards employees	111	2.3333	.1088	1.14680
Valid N (list wise)	111			

Source: Analysis of results (Research Data)

The findings of the study revealed that top managers do not have a positive attitude towards their employees, with a mean indicative rate of 2.33 the managers of the Ministry seems not to mind about the welfare of its employees. Poor employee - employer relation lead to dissatisfaction amongst employees which resulted in poor service delivery and performance and hence culminated to high rate of labour turnover.

4.7.2. Attitude of Employees towards their Work

The study attempted to establish the attitude of employees towards their work and here below was their response.

Table 11

Are you satisfied with your work	Yes	No
	21	94
%	18.26%	81.73%

N = 115

The findings revealed that 18.26% of the employees were satisfied with their current jobs, while a staggering 81.73% were not satisfied with their current jobs. The fact that a big number were dissatisfied with their current jobs meant this could be amongst the major factors causing high rate of labour turnover in the Ministry.

4.7.3 Reasons for Job Satisfaction

The majority of respondents who indicated 'yes' gave the following reasons for their job satisfaction

- a) Better career prospects and progression.
- b) Access to training and development opportunities.
- c) Working with minimum supervision
- d) Improved revised management.

It was instrumental to note that certain cadre of staff in the Ministry have an enhanced scheme of service which allowed upward mobility for employees who had undergone training with or without assistance of the Ministry. It was also noted that the policies of the Ministry were not consistent in all departments and job cadre.

4.7.3 1. Reasons for Job Dissatisfaction

The respondents who indicated "No" gave the following reasons for dissatisfaction with their current work

- a) Low payment
- b) Poor terms and conditions of services.
- c) Lack of motivation by Ministry's management
- d) Poor career prospect, progression and development
- e) Lack of working facilities.
- f) Lack of support from top managers
- g) Lack of training and development opportunities
- h) Discrimination in the few training opportunities available.

4.7.4 Possible reasons for leaving the Ministry.

When the respondents were asked to indicate the likely cause of their exit from the Ministry if they were to leave, majority indicated the following possible reasons:-

- a) Low pay
- b) Poor terms and conditions of employment
- c) Lack of career progression
- d) Lack of training and development
- e) Poor motivational and recognition schemes.
- f) Poor working environment
- g) Harassment at work
- h) In search of greener pastures.

4.7.5 Discussions

The finding of this study revealed that the major causes of labour turnover at the Ministry of Labour and Human Resource Development was lack of job security, low pay, lack of career progression, lack of training and development, poor employer – employee relations, poor working conditions, harassment and bullying at work, poor relations with colleagues, lack of better job prospects, discrimination in the few training opportunities available. These results agree with the analysis of reasons given as major causes of labour turnover in organizations by Armstrong (1977). The reasons included- search for better pay, search for better job prospects, search for job security, search for opportunity to develop skills, search for better working conditions, poor employee –employer relations, bullying and harassment at work, personal reasons such as illness, pregnancy or moving from one place to another, poor relations with colleagues. Despite the above reasons of dissatisfaction, there was need to sort out the genuine complaints from the unjustified. When these results were looked at closely, it pointed out to the failures of human resource policies, programs and practises in the organizations which were responsible for addressing these pertinent issues. The results of this study also deferred from those found by Waweru (1984). The findings by Waweru (1984) in Kenya found out the resignation was the highest cause of labour turnover, he further revealed that the rate of labour turnover in Kenya has been declining. In reality the rate of labour turnover in Kenya in both

private and public sector had been on the rise possibly due to the slow rate of economic development. However the finding of this study and the study done by Waweru in (1984) indicated that the difference in labour turnover was caused by poor human resource policies and practices. More often, labour turnover was considered to be an indication of failure of personnel management practices and policies.

The results of this study also found out that most accession and separation at the Ministry was due to retirements, resignations, deaths, termination on disciplinary grounds, termination on ground of ill-health, termination on the grounds of desertions, redesignations etc. These results agree with those found by Birir (2005) at Moi, Teaching and Referral Hospital, Eldoret, the study found out that most separation cases were caused by retirements, resignations, deaths, termination on account of disciplinary grounds, ill-health and desertion of duty. The finding of this study indicated that accession and separations have been on the rise which is appointer to serious shortcomings in human resource policies and practises.

The findings of this study also revealed that the labour turnover index at Ministry was 69.6%. It generally indicated that the rate of leavers to those employed was very high, however high rate of labour turnover had its limitations since there is a risk of the organization employees being overworked. High rate of labour turnover lead to additional cost of replacement and selection, disruption of production of goods and services, additional cost especially induction and initial job training, wasted investment in people and may lead to difficulty in attracting new staff. The findings of this study which indicated a labour turnover rate of 69.6% differ greatly with the magnitude of labour turnover rate of 25% considered most perfectly satisfactory by most firms (Cole 2001). A labour turnover rate of 100% was considered a major problem that is a threat to the existence of organizations. The Ministry's rate of 69.6% is gravitating towards this unacceptable figure of 100%. This called for prompt further investigations to find out the underlying causes and to identify remedies of this high rate of labour turnover.

The finding of this study indicated that the high rate of labour turnover at the Ministry had impacted negatively on service delivery and performance of employees, with an indicative mean score of 4.0885 and 4.1217 respectively this agreement mean score by the respondents' points to

a precarious scenario at the Ministry in terms of performance and service delivery. The findings further revealed that labour turnover had impacted negatively on employee level job satisfaction seen mainly in relations with the current terms and condition of service. These finding agree with the finding from the study by Birir (2005) who established that labour turnover impacts negatively on employee motivation, morale and employee level of job satisfaction. The findings of the study indicated that most employees of the Ministry were not satisfied with their current terms and conditions of service this is reflected in their attitude towards their work. A staggering 81.73% indicated that they were not satisfied with their current terms and conditions of service. Poor terms and conditions of service is one of the notable causes of labour turnover at the Ministry, this is apparent and evident from the study. When there is general dissatisfaction on terms and conditions of service, the effects on service delivery and performance is widespread.

The findings of the study revealed that the following factors could cause the current employees to leave the organization- low payments, poor terms and conditions of service, lack of career progression, lack of training and development, poor motivation and recognition schemes, poor working environment, harassment at work and search for greener pastures. These findings agree substantially with reasons for exit advanced by Armstrong (1977) and the findings by Birir (2005) at Moi Teaching and Referral Hospital, Eldoret, another public institution.

Labour turnover has got its own advantages and limitations whereas its limits are expensive and unpredictable, its merits can only be justified up to the level that it stands to benefit the organization. Labour turnover may provide incentives to employee new staff which would stir the organizations into the next level of development. Labour turnover enables organizations to shed off staff easily through natural wastage method, it also opens up promotional channels for longer earning employees and introduces an element of self selection among new employees which may save dismissal at a latter stage. However low rate of labour turnover has got a number of limitations since low number of employees leaving the organization compared to those joining is risky, this is because there is a risk of employees conforming to the culture of organization resulting in a static culture of the organization. On the other hand a high rate of labour turnover indicates a big problem in the organization which needs specific investigations. High rate of labour turnover often leads to additional cost of replacement, disruption to production of good

and services, additional training cost especially induction and initial job training, wasted investment in people and many lead to difficulty in attracting new staff. As (Cole G.A 2001) puts it – on a balance a small amount of labour turnover is a positive benefit especially when the organization is going through decline. For most organizations, however the extra disruption and recruitment required to offset more than a small amount of labour turnover are unwelcome.

CHAPTER FIVE

SUMMARY, CONCLUSION, IMPLICATIONS, AND RECOMMENDATIONS.

5.1 Summary

The following is a summary of findings on 'Analysis of labour turnover; causes and effects in the Ministry of Labour and Human Resource Development'. These findings are generalized to the Ministry of Labour and Human Resource Development.

1. The Ministry of Labour and Human Resource Development have experienced a high rate of labour turnover during the period under review (Jan 2002 – Dec 2006)
2. All the three departments in the Ministry of Labour and Human Resource Development have experienced a high rate of labour turnover; it ranges from 41.3% to 60.6 which were far beyond the perfectly satisfactory levels of 25% and below acceptable by human resource practitioners.
3. The technical staff in the Ministry (Those in job group J to M) has been affected mostly by high rate of labour turnover. This was the job cadre responsible for policy implementation.
4. The findings revealed that low pay, lack of training and development, lack of career progression and development, poor promotional prospects and employee relations were the biggest cause of the high rate of labour turnover at the Ministry
5. The findings revealed that the high rate of labour turnover have impacted negatively on service delivery and performance of employees at the Ministry.
6. The findings of the study revealed that the employees of the Ministry of Labour and Human Resource Development were not satisfied with their current terms and conditions of service.
7. The findings also revealed that poor terms and conditions of service have contributed to the general dissatisfaction and discontent in the Ministry of Labour and Human Resource Development.
8. The findings revealed that the top management of Ministry do not have a positive attitude towards employees hence this had contributed to poor job performance by employees.
9. The findings also revealed that labour turnover have a direct relationship with lack of motivational schemes

10. The findings revealed that the majority of employees of the Ministry do not have access to motivational schemes available.
11. The findings also revealed that work overload was responsible for the low morale amongst employees of the Ministry.
12. The findings revealed that 81.73% of employees disagreed that they're satisfied with their current work, while 18.26% agreed that they're satisfied with their current work. This scenario denoted that majority of employees in the Ministry were not likely to perform better in their daily operations, this resulted in poor productivity and performance of the Ministry.

5.2 Conclusion from the Study

The following are the conclusion drawn from the study on 'Analysis of labour turnover causes and effects at the Ministry of Labour and Human Resource Development'.

- a) Labour turnover at the Ministry of Labour and Human Resource Development was considerably high, there was need to urgently determine the causes with a view to curbing the high rate. This helps to ensure that the organization has a stable workforce a requisite for achieving organization goals.
- b) From the findings of the study, it was evident that there was need to regularly determine the rate of labour turnover in each department and to recalculate the separation rate for various categories of employees to see if labour turnover is increasing constantly, if so it could be specially investigated.
- c) There was a direct and a positive relationship between low pay, lack of career progression, poor progression, poor employee relations and the high rate of labour turnover.
- d) The employee level of job satisfaction and morale is positively associated with high rate of labour turnover. When the rate of labour turnover was low then morale and job satisfaction of employees was high, when the rate was high morale and level of job satisfaction was low.
- e) Labour turnover affects delivery of services to members of the public.
- f) Labour turnover has direct bearing on the performance of employees in the Ministry. Goal attainment was hampered by inadequate staff.

- g) The current terms and conditions of employment in the Ministry are not favourable and hence this had played a big role in employee's dissatisfaction.
- h) The attitude of top managers of the Ministry of Labour and Human Resource Development towards her employees was not conducive for co-operation, collaboration and team work. The negative attitudes lead to poor service delivery and performance by employees.
- i) There was biasness in administration and access to motivational schemes of the Ministry.
- j) The findings revealed that the employees of the Ministry were overworked and hence could not cope with the existing workload.
- k) There was poor attitude towards work by employees which may have a risen due to the existing poor terms and conditions of employment.

In a nutshell job security, better terms and conditions of service, better career progression, recognition by employers, positive attitude by management towards employees lead to employee motivation, when motivation is high it leads to low rate of labour turnover and where there is low rate of labour turnover organizations experienced enhanced service delivery, better performance and productivity of employees that finally culminates in high level of job satisfaction; on the other hand when employee motivation is low it leads to a high rate of labour turnover which results in poor service delivery, poor performance and productively culminates in low level of job satisfaction amongst employees.

5.3 Implications.

Labour turnover can be surprisingly expensive to any organization whether in the public or in the private sector. The cost of labour turnover increases when employees are more difficult to find and require more training and development. It was critical to understand the implication of labour turnover in order to develop strategies of curbing the high rate. Organisations needed to analyse and determine the rate of labour turnover on a regular basis in order to forecast future losses and to identify reasons for people leaving the organisation. With factors causing labour turnover in mind, organizations could create enabling environment which facilitated development and implementation of human resource policies programmes and practises conducive for retention of organization workforce, the stability of the workforce ensures that organizations attain their goals. Organization should be mindful of their employees through creation of environment which foster positive attitudes at work. The results of this study pointed out that the top management of the Ministry had a negative frame of mind towards employees. contrary to common believe that managers must develop appositve attitude towards their subordinates. The perception of managers of the Ministry was negative and this was likely to demotivate employees. The implication here was that the negative attitude of managers coupled with poor terms and conditions of employment only served to worsen service delivery and poor performance of employees. There was need for managers of the Ministry to assess their attitudes towards employees with a view to changing such perception for the good of the organization. Therefore there was need for top managers of the Ministry to recognize the need for positive perceptions towards employees and to identify factors which promotes such actions. The knowledge and continuation of those positive perceptions would be important in ensuring positive disposition of employees and success in the Ministry. Managers of the Ministry needed to understand their employees' feelings and be able to model them in the best possible ways such as through motivation, recognition of employee performance; training and development, clear career paths etc. Research has shown that labour turnover can be controlled through proper human resource policies, programs and practices. This was to say labour turnover was dependent upon prudent management practices and those desires of any organization to accomplish it goals. Therefore managers in any organization should be in a position to guide employees by being proper models to them.

Employer – Employee relation in the Ministry should be enhanced so that the Ministry could attain its set goals through retention of its workforce by provision of better terms and condition of service

5.4 Recommendations

From the findings, it was apparent that there are labour turnover related issues that needed to be addressed. The following recommendations were made to ensure workforce stability which is a prerequisite in ensuring efficient service delivery and better performance by employees.

- a) The Ministry of Labour and Human Resource Development should always monitor the rate of labour turnover so as to establish the causes and effects and be able to formulate strategies of curbing and tacking these scenarios. This was because high rate of labour turnover posses some important hidden implications to the Ministry.
- b) The Ministry of Labour and Human Resource Development should introduce employee counselling and support programs so as to maintain the level of job satisfaction and level of desired performance.
- c) The Ministry of Labour and Human Resource Development should constantly improve the terms and conditions service of its workforce so as to enhance job satisfaction, motivation and morale.
- d) The Ministry of Labour and Human Resource Development should improve the working environment (physical climate) of its employees in order to ensure health and safety of its workforce.
- e) Performance (management) contracts processes should be introduced with great care. Too many ambitious schemes fail because those seemly obvious requirements are neglected. Performance management should be introduced through consultation between management and staff representatives. This provides for different opinions and experience to be considered, serves as a basis for wider consultation and communication to take place and generally helps to achieve understanding acceptable of the process.
- f) There should be a system of attaching the employee performance to their pay so as to effectively and efficiently utilize their services fully.
- g) Personnel department should develop a system of forecasting employee needs in the organization so as to avoid overload or under load to some employees.

- h) Train and develop all employees and help them in recognizing opportunities and making suggestions.
- i) Develop skills and increase knowledge of employees, thereby enhancing awareness. By assessing and developing attitudes and behaviours, this would ensure that, all employees develop ways to attain their full potential and personal success.
- j) Define the criteria for approval of training and development to ensure consistency and fairness for all employees.
- k) Promote use of work incentives, profit sharing, recognition programs and competitive benefit package.
- l) Creativity- Creativeness and innovation provide employees with opportunities to use their skills.
- m) Overhaul rigid job structures, perhaps using job restructuring and by extension job rotation and job enrichment.
- n) Show that prospects within the Ministry are good by promoting from within wherever vacancies are available.
- o) Ensure that physical working conditions were adequate in general, an increase in job satisfaction and in the cohesiveness of working groups will decrease the rate of labour turnover.
- p) Introduce and improve induction process this will ensure the Ministry's new employees fit into the system as soon as possible, when they feel welcomed there is a high chance of staying for a longer period.
- q) All employees should be fully utilized, some may be leaving because of boredom or Job dissatisfaction.
- r) Ensure that recruitment and selection procedures are adequate fair and equitable. Suitable employees are more likely to stay longer than unsuitable employees
- s) Employer – employee relations should be strengthened through interactive and Integrative learning processes.
- t) Ensure that there is no harassment of any nature at the Ministry which may trigger exit of some employees.
- u) Ensure that the Ministry has adequate grievance handling mechanism, which would enable employees of the Ministry to channel their grievances in the right manner.

- v) Ensure that all employees of the Ministry have access to motivational and promotional Schemes.

References:

- Armstrong, M. (1999) - Human Resources Management Practice New Hampshire Kogan Page Ltd
- Armstrong, M. (2000) - Human Resource Management Practice New Hampshire Kogan Page Ltd
- Armstrong, M. (1991) - Human Resource Management , London, Kogan page LTD
- Armstrong, M (1977) - Human Resource Management practice New Hampshire Ltd
- Appleby, C.R (1991) - Modern Business Administration (sixth edition) Pitman London.
- Birir E.C (2005) - Impact of Labour Turnover on Organizational Performance and Productivity. A case study of Moi Teaching and Referral Hospital, Eldoret. Unpublished Thesis.
- Bombay textile committee (1981) - Labour turnover survey-India
- Graham, H.T-1978 - Resources Management M & E handbook, Macdonald & Evans publishers New York
- Cole, G. A. (1996) - Personnel Management Theory and Practice (third edition) Letts Educational Aldine place U.K.
- Cole, G.A (2001) - Personnel Management Theory and Practice (fifth edition) Letts Educational Aldine place U.K.
- IPD (1997) - Annual labour turnover survey – United Kingdom
- Kerlinger F. N (1973) - Foundation of Behavioral Research 2nd Editorial New York Holt, Richhart and Wilson Inc
- Kothari, C.R (1988) - Research Methodology, Methods and Techniques, new age international Publishers Ltd New Delhi.
- Mamoria C, B (1991) - Personnel Management (Ninth Edition) Himalaya publishers Co. prentice Hall
- Orodho J.A (2005) - Research Methods for Library and Information Science Bureau of Education Research Kenyatta University
- Republic of Kenya, (2005) - Ministry of Labour and Human Resource Development Strategic Plan 2005-2009

- Republic of Kenya, (1984) – Employment Act, chapter 226 Laws for Kenya Government Printer, Nairobi.
- Republic of Kenya, (1997) – Regulation of wages and conditions of Employment Chapter 229 Laws of Kenya Government printer, Nairobi.
- Republic of Kenya, (1991) – Trade dispute Act/ Chapter 234 Laws of Kenya Government printers, Nairobi.
- Republic of Kenya, (1998) – The worker's compensation Act, chapter 236, Laws of Kenya Government printers, Nairobi.
- Republic of Kenya, (1998) – The Factories and other places of work Act, Chapter 514 Laws of Kenya, Government printer, Nairobi.
- Santos, R (1998) - Cronbach Alpha: A tool for measuring reliability of scales. Texas A&M University College, Texas.
- Waweru, E. M (1984) - Management of Human Resource in Kenya, Kenya Literature Bureau, Nairobi, Kenya

Appendix 1: Interview Guide/ Letter to Respondent's

Dear Sir/Madam

I am a student at Egerton University undertaking a Master's degree in Business Administration (MBA). As part of the requirement of the course I am required to undertake a research project in my area of study. My research topic is on "An analysis of labour turnover: causes and effects. A case study of the Ministry of Labour and Human Resource Development." You have been selected as one of the respondents in this study .Your sincere and correct answers will be important in attaining this noble goal. All information will be treated with utmost confidentiality. Appended herewith is my project questionnaire for your action.

LEONARD K.BII

EGERTON UNIVERSITY

Appendix 2: Questionnaire

PART ONE

a) Name of Department-----

b) Work station/ field station-----

c) Instructions

Please indicate the degree of agreement or disagreement in each of the following statements. There are five possible answers for each question. The answers are written inside the boxes. Choose your answer to each statement or sentence and put a tick (✓) in the appropriate box. Please give your choices or answers truthfully and honestly. All information you give will be kept confidential.

The following are the description of the answers or choices provided at the end of every question.

- 1 SA : Strongly agree
- 2 A: Agree
- 3 U: Uncertain
- 4 D: Disagree
- 5 SD: Strongly disagree

1.	Lack of job security causes labour turnover	SA	A	U	D	SD
2.	Low pay causes Labour Turnover	SA	A	U	D	SD
3.	Lack of career progression causes labour turnover	SA	A	U	D	SD
4.	Lack of training and development opportunities causes labour turnover	SA	A	U	D	SD
5.	Poor Employer – Employee relations causes labour turnover.	SA	A	U	D	SD
6.	Poor working conditions causes labour turnover.	SA	A	U	D	SD
7.	There is high rate of labour turnover because of harassment at work – by superiors	SA	A	U	D	SD
8.	Poor promotional prospects causes labour turnover.	SA	A	U	D	SD
9	Rigid job structures and too much bureaucracy causes labour turnover	SA	A	U	D	SD
10.	Poor relations with colleagues causes labour	SA	A	U	D	SD

	turnover					
11.	Labour turnover has affected delivery of services in the ministry	SA	A	U	D	SD
12.	In your opinion do you think labour turnover is related to lack of motivational schemes.	SA	A	U	D	SD
13.	Promotion on merit is one of the motivational schemes	SA	A	U	D	SD
14.	Employees of the Ministry have access to motivational schemes	SA	A	U	D	SD
15.	Training and development opportunities is used to motivate employees.	SA	A	U	D	SD
16.	Management staff (job group N to T) are affected mostly by labour turnover.	SA	A	U	D	SD
17.	Technical staff (job group J to M) are affected by labour turnover.	SA	A	U	D	SD
18.	Support staff (JGA to H) are affected by labour turnover.	SA	A	U	D	SD
19.	Employees in the Ministry are satisfied with their current terms and condition of employment	SA	A	U	D	SD
20.	Poor terms and conditions of employment cause dissatisfaction among employees.	SA	A	U	D	SD
21.	Work overload causes low morale amongst employees	SA	A	U	D	SD
22.	Labour turnover has affected performance and productivity of employees	SA	A	U	D	SD
23.	Top management of the Ministry have positive attitude towards employees.	SA	A	U	D	SD
24.	Lack of recognition by management of the ministry is responsible for high rate of labour turnover and job dissatisfaction.	SA	A	U	D	SD

25.	Personal reasons such as illness pregnancy, residence relocations or joining family causes labour turnover.	SA	A	U	D	SD
-----	---	----	---	---	---	----

PART TWO

1. Are you satisfied with your work?

Yes

No

2. If the answer in 1 above is yes. what makes you satisfied?

1. _____
2. _____
3. _____
4. _____

3. If the answer in 1 above is No. what makes you dissatisfied?

8. _____
9. _____
10. _____
11. _____

4. If you were to leave the Ministry today what would be the possible cause of your leaving?

1. _____
2. _____
3. _____
4. _____

**Appendix 3: Sampling Frame – Ministry of Labour and Human Resource Development
Offices Country Wide**

LABOUR DEPARTMENT	DOHSS	HUMAN RESOURCE DEPARTMENT
RIFT VALEY PRONVINCE		
NAKURU	KERICHO	NAKURU
NAIVASHA	NAKURU	NAIVASHA
NANYUKI	ELDORET	NANYUKI
MOLO	KITALE	MOLO
KERICHO		KERICHO
ELDORET		ELDORET
NANDI HILLS		NANDI HILLS
KITALE		KITALE
KABARNET		KABARNET
WESTERN PROVINCE		
BUNGOMA	BUNGOMA	BUNGOMA
KAKAMEGA	KAKAMEGA	KAKAMEGA
BUSIA		BUSIA
NYANZA PROVINCE		
KISUMU	KISUMU	KISUMU
KISII	KISII	KISII
HOMA BAY		HOMA BAY
MIGORI		MIGORI
CENTRAL PRONVINCE		
THIKA	THIKA	THIKA
NYERI	NYERI	NYERI
KERUGOYA		KERUGOYA
MURANGA		MURANGA
NYAHURURU		NYAHURURU
COAST PROVINCE		
MOMBASA	MOMBASA	MOMBASA
MALINDI	MALINDI	MALINDI
KILIFI		KILIFI
KWALE		KWALE
VOI		VOI
NAIROBI PROVINCE		
INDUSTRIAL AREA	INDUSTRIAL AREA	INDUSTRIAL AREA
NAIROBI CENTRAL		EMBAKASI
EASTERN PROVINCE		
MERU		KASARANI
EMBU	EMBU	MERU
MACHAKOS		EMBU
KITUI		KITUI
		MACHAKOS
		MAKUENI
		ATHI-RIVER

Table 12: Staffing Levels at the Ministry –Jan 2002-Dec2006

DEPARTMENT	2002		2003		2004		2005		2006	
	EST	IN- POST	EST	IN- POST	EST	IN- POST	EST	IN- POST	EST	IN- POST
LABOUR	618	750	618	398	618	383	618	331	618	268
DOHSS	284	170	284	161	284	139	284	120	284	112
HRME	1443	1009	1433	994	1933	983	1933	888	1933	841
	3									

Source –Analysis of results (Research Data)

Table 13: Employees employed at the Ministry between Jan 2002-Dec2006

	2002	2003	2004	2005	2006
TOTAL NUMBER EMPLOYED	-	-	-	16	-

Source –Analysis of results (Research Data)

Table 14: Employees who have left the Ministry on account of various reasons (Jan 2002-Dec2006)

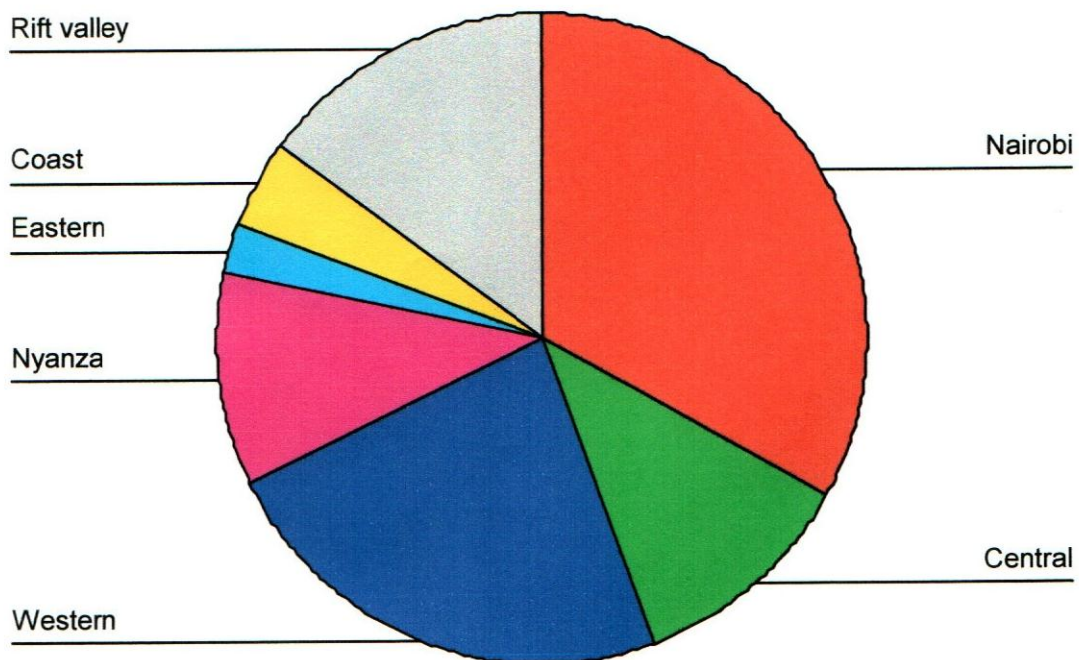
REASONS FOR LEAVING	NO. OF EMPLOYEES.
Normal retirements	141
Deaths	41
Resignation	79
Personal reasons	10
VERS	307
Sickness	27
Terminations	59
Retirement by public interest	11
Redesignation (to other Ministries)	439
Total	1114

Source –Analysis of results (Research Data)

Table 15: Participation by Provinces

	Frequency	Percentage	Valid percentage	Cumulative percentage
Nairobi	38	33.0	33.0	33.0
Central	13	11.3	11.3	44.3
Western	27	23.5	23.5	67.8
Nyanza	12	10.4	10.4	78.3
Eastern	3	2.6	2.6	80.9
Cost	5	4.3	4.3	85.2
Rift valley	17	14.8	14.8	100.0
Total	115	100.0	100.0	

Source –Analysis of results (Research Data)



Source –Analysis of results (Research Data)