

THE IMPACT OF LABOUR TURNOVER ON ORGANISATIONAL PERFORMANCE:  
A CASE STUDY OF THREE BRANCHES OF CENTENARY RURAL  
DEVELOPMENT BANK



A DESSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE  
STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD  
OF MASTER OF BUSINESS ADMINISTRATION (HRM) OF KAMPALA  
INTERNATIONAL UNIVERSITY

BY

BUSINGYE SUSAN

Reg. No: MBA-PT-2004-003

HF5549.5.T8  
B9799  
2006

OCTOBER 2006



## DECLARATION

I Busingye Susan declare that this <sup>11000</sup>dissertation is a result of my own research effort and investigation. It has not been submitted to any other institution for any award.

Researchers' Signature

..... Susan .....

Busingye Susan

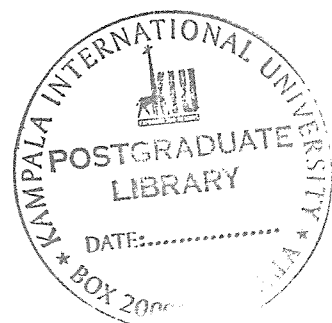
Date ..... 7<sup>th</sup> November 2006 .....

Supervisor's Signature

.....

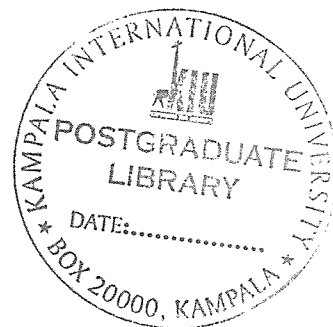
Prof. Bashaija mwene Kazingo

Date.....



## DEDICATION

This piece of work is dedicated to my Beloved Mother M/s Joan Kenyangi who has been there for me in every life's struggle, as well as my sisters and brothers.



## ACKNOWLEDGEMENTS

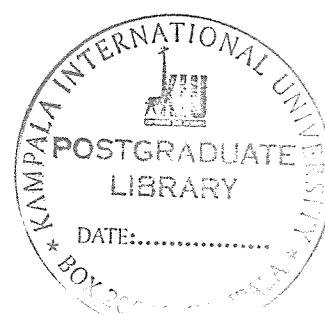
Completion of this work was as a result of both indirect and direct support of many people to whom I owe acknowledgements. First I feel greatly indebted to my Sponsor, Dr. Michael Benolier, whom through Mr. Hassan Basajjabalaba and Hon. Mary Karoro Okurut, gave me the opportunity to pursue the MBA, which he fully financed. May God bless them abundantly

My sincere appreciation goes to my Supervisor, Professor Bashaija mwene Kazingo who not only guided me academically but also gave me parental advice. May God reward him abundantly. I thank my fellow students on MBA program whose help and guidance has been the basis of this work. Equally important is Prof. Peter J. Opio, the Deputy Vice Chancellor Academic Affairs, Kampala International University, who laid the Foundation of the post graduate school, and for his constant advice

My special thanks go to my beloved husband Dr. Kiiza Geoffrey for the moral support and financial assistance he has given me and stood by me in all what I have gone through in compiling and completing my research, may the good Lord bless him abundantly.

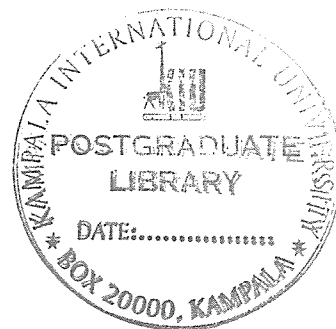
I also convey special thanks to the staff of Centenary Rural Development Bank-Kampala City that willingly assisted me by allowing me to interview them. And completed my questionnaires but also acted as resource persons in the course of this study. Special thanks go to Mr. Dennis Mukwaya who assisted in compiling my data and taught me how to use SPSS to analyze data. May God bless him richly.

Finally, I thank all those persons whose names I have not mentioned I will always remember them for their kindness , constant support and encouragement.



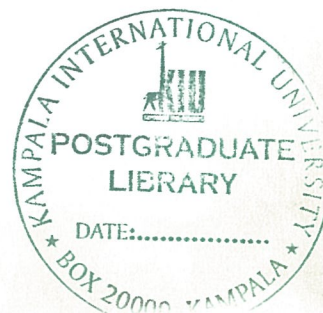
## ACRONYMS

CERUDEB	Centenary Rural Development Bank
FDI	Foreign Direct Investments
ATMs	Automated Teller Machines



# Table of Contents

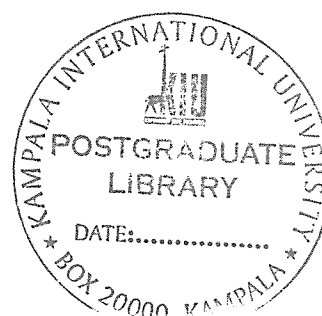
Declaration.....	i
Dedication.....	ii
Acknowledgement.....	iii
Acronyms.....	iv
Table of Contents.....	v
List of Tables.....	viii
List of Figures .....	ix
ABSTRACT .....	X
<b>CHAPTER ONE: GENERAL INTRODUCTION.....</b>	<b>1</b>
1.0 INTRODUCTION: .....	1
1.1 BACKGROUND TO THE CASE STUDY .....	1
1.1.1 Background of Centenary Rural Development Bank.....	1
1.1.2 Current State of Uganda's Banking Sector .....	2
1.1.3 Mission and Objective of CERUDEB.....	4
1.1.4 Governance of the Bank (See Appendix) .....	5
1.1.5 Staffing .....	5
1.2 STATEMENT OF THE PROBLEM .....	6
1.3 OBJECTIVES OF THE STUDY .....	7
1.4 RESEARCH QUESTIONS.....	7
1.5 SCOPE OF THE STUDY.....	8
1.6 JUSTIFICATION/PURPOSE OF THE STUDY .....	8
1.7 CONCEPTUAL FRAME WORK .....	9
<b>CHAPTER TWO: REVIEW OF RELATED LITERATURE.....</b>	<b>10</b>
<b>CHAPTER TWO: REVIEW OF RELATED LITERATURE.....</b>	<b>10</b>
2.0 INTRODUCTION.....	10
2.1 DEFINITION OF LABOUR TURN OVER .....	10
2.2 TYPES.....	10
2.2.1 Voluntary Turn Over.....	10
2.2.2 Involuntary Turn Over.....	11
2.3 FACTORS LEADING TO LABOUR TURN OVER .....	11
2.4 THE PROCESS .....	16
2.5 RELATIONSHIP BETWEEN LABOUR TURN OVER AND: .....	17
2.5.1 Management Style: .....	17





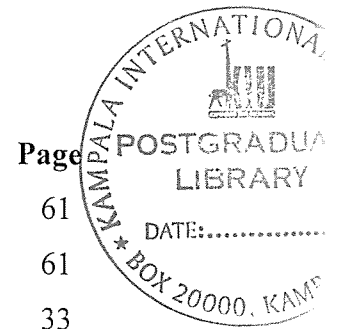
2.5.2 Performance .....	24
2.6 BENEFITS OF LABOUR TURNOVER .....	24
2.7 PERFORMANCE APPRAISAL .....	25
2.8 CHALLENGES TO ORGANIZATIONAL PERFORMANCE .....	27
2.9 SUCCESSION PLANNING AS A STRATEGY TO LABOUR TURN OVER. ....	27
2.10 CONCLUSION .....	28
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>29</b>
3.0 INTRODUCTION .....	29
3.1 RESEARCH DESIGN .....	29
3.2 SAMPLING: .....	29
3.4 SECONDARY DATA TECHNIQUES .....	30
3.5 PRIMARY DATA COLLECTION TECHNIQUES .....	30
3.5.1 Observation.....	31
3.5.2 Questionnaire. ....	31
3.5.3 Interviews.....	31
3.5.4 Data analysis .....	32
3.6 LIMITATIONS OF THE STUDY .....	32
<b>CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS. ....</b>	<b>33</b>
4.0 INTRODUCTION .....	33
4.1 PROFILE OF THE SAMPLE UNDER STUDY: .....	33
4.2 CAUSES OF LABOUR TURN OVER IN THE BANK: .....	36
4.2.1 Reasons for leaving the bank: .....	37
4.2.2 The style of Management: .....	38
4.2.3. Performance Standards:.....	39
4.3. EFFECTS/ IMPACT OF LABOUR TURN OVER ON THE BANK PERFORMANCE.....	40
4.4 PRACTICAL RECOMMENDATION:.....	42
4.5 CONCLUSION: .....	43
<b>CHAPTER FIVE: SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>44</b>
5.0 FINDINGS.....	44
5.0.1 Major factors leading to staff turnover at CERUDEB-Kampala city.....	44
5.0.2 What is the Relationship between management style and labour turnover at CERUDEB-Kampala City?.....	44
5.0.3 What is the relationship between labour turnover and performance of the bank?.....	45
5.1 CONCLUSIONS.....	45

5.2	RECOMMENDATIONS .....	46
5.3	FURTHER RESEARCH .....	46
	<b>BIBLIOGRAPHY .....</b>	<b>48</b>
	<b>APPENDIX I: QUESTIONNAIRE .....</b>	<b>51</b>
	<b>APPENDIX II: INTERVIEW GUIDE .....</b>	<b>55</b>
	<b>APPENDIX III: CENTENARY RURAL DEVELOPMENT BANK LTD ORGANISATION STRUCTURE .....</b>	<b>58</b>
	<b>APPENDIX IV: INTRODUCTORY LETTER .....</b>	<b>59</b>
	<b>APPENDIX V: CASE PROCESSING SUMMARY .....</b>	<b>60</b>
	<b>APPENDIX VI: TABLES AND FIGURES .....</b>	<b>61</b>



## LIST OF TABLES

Table 1: Gender of respondent's	61
Table 2: Department	61
Table 3: General opinion about the job	33
Table 4: Opinion about Grievance Handling procedure	61
Table 5: Opinion about Information Flow	62
Table 6: Opinion about remuneration package	35
Table 7: Reasons for leaving the Bank	62
Table 8: Style of Management	63
Table 9: Management and labour turnover	63
Table 10: Performance Standards	38
Table 11: Performance Standards and duration	39
Table 12: Working Conditions	39
Table 13: The Bank's general Performance	64
Table 14: Extent to which staff departure affects bank performance	64
Table 15: Practical Recommendation	64



## ABSTRACT



The issue of labour turnover presents one of the greatest challenges to organizational performance. The problem appears to be relatively high in three branches of CERUDEB-Kampala City where the study concentrated, namely: The Main Branch on Entebbe Road, its Annex on Entebbe Road and Namirembe branch. Despite the existence of formal recruitment procedures and management efforts to avail labour related incentives to staff, labour turn over has remained relatively high over the two years, posing a question to the management and threatening the effective performance of the Bank.

The study investigates the causes of labour turnover, establishes a relationship between labour turnover and management style. It also assesses the impact of labour turnover on the performance of the organization particularly the three branches of CERUDEB Kampala City. Data for the study was collected through questionnaire, interviews, observation and documentary analysis (reports). Presentations were made possible by using tables, graphs and narratives.

Labour turnover has both a negative and positive impact. The positive being that when non performing workers leave the organization, they are replaced by performing ones who energize the bank through new ideas. The negative one is that, it becomes difficult to replace them, disrupts production, puts stress on the remaining workers, which eventually results into labour turnover.

The findings reveal that the major causes of labour turnover at the three branches of CERUDEB-Kampala city were: personal motives, inadequate pay, management style and the level of experience and qualification. The study also reveals a direct and positive relation ship between labour turn over and performance of the Bank especially at the top management levels. Labour turnover is highest among people who have worked for two-three years and mainly among top mangers.

Recommendations made include improvement in the causes of labour turnover. The main implications of this study are for the organization's policy makers and Implementers CERUDEB (Kampala city)



# CHAPTER ONE: GENERAL INTRODUCTION

## **1.0 Introduction:**

According to scholars like Armstrong (2001) and Cole (2002), “the quality of work produced by employees has a high correlation with the level of organizational performance and productivity; every organization should therefore strive to monitor employee performance”. Hence, how well an organization attains, maintains and retains its human resource determines its success or failure.

This research is about analyzing the impact of labour turnover on organizational performance, using Centenary Rural Development Bank-Kampala City as an illustrative example. The Researcher is prompted by the fact that labour turnover greatly threatens the stability of most organizations. The research is intended to help organizations especially CERUDEB overcome the effects of labour turnover so as to improve their performance, particularly in Kampala City examining the different causes of labour turn over.

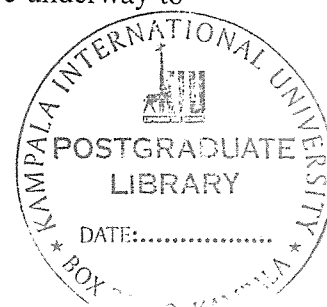
## **1.1 Background to the case Study**

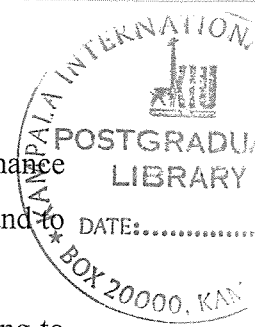
Labour turnover is relatively high in the developing world than is the case in the developed nations. In Uganda labour turnover is a great challenge to most organizations for its impact is significant on organizational performance.

On the other hand, because of many employing organizations, employees are on the constant look out for where work conditions are better and as such; if discovered, will prefer to move and join them if given opportunity.

### **1.1.1 Background of Centenary Rural Development Bank**

Centenary Rural Development Bank was established by the Catholic Church as a trust in 1985. It commenced operations in 1986 with the head office and first Branch at Nkrumah Road, Kampala. The trust transformed into a commercial bank in 1993 and the branch network has since grown to 25 spread throughout the country, and plans are underway to





set up more branches.<sup>3</sup> Centenary Rural Development Bank was created as a finance institution to serve the economically disadvantaged people especially in rural areas and to contribute to the overall economic development of the country.

To reduce business risk the bank has diversified to other activities to include: lending to small and medium enterprises and large corporations to reach the middle and higher- end markets in order to provide services to sectors that are complementary to the target market and customers.

The Bank has installed at least one ATM at all the branches. With Entebbe Road annex having three units. The number of ATM card holders has grown from 84,815 to 160,440

### **1.1.2 Current State of Uganda's Banking Sector**

Uganda's banking sector has steadily recovered from the effects of the political turmoil that had left the country's financial system in an appealing state with substantial loan repayments, a weak currency and soaring inflation

During the 1970s and early 1980s, Uganda accumulated a foreign debt that was used largely for non productive purpose. Debts climbed while the productive capacity of the country deteriorated.

To solve these problems, the government of Uganda by then tapped both external creditors and domestic sources, crowding out private sector borrowers. When president Museveni took over power in 1986, his government then attempted to reduce the percentage of government borrowing from domestic sources and to reschedule payments of foreign loans. The government also implemented successive devaluation of the shilling in order to stabilize the economy.

Government owned institutions dominated most banks in Uganda. In 1966, the Bank of Uganda, which controlled currency issues and managed foreign exchange reserves, became the central bank. The Uganda Commercial Bank which had fifty branches through the country, dominated commercial banking and was wholly owned by the

---

government. The Uganda Development Bank (UDB) then was a state-owned development finance institution, which channelled loans from international sources into Uganda enterprise and administered most of the development loans made to Uganda.

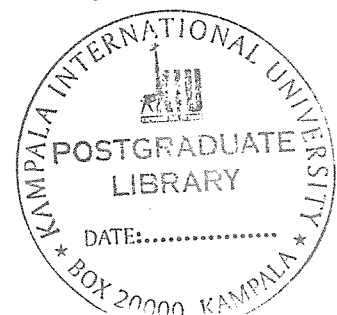
The East African Development Bank, established in 1987 and jointly owned by Uganda Kenya and Tanzania, was also concerned with development finance. This is one of the few institutions, which survived the break up of the East African Community and received a new charter in 1980. Whereas Uganda had 290 commercial bank branches in 1970, by 1987 there were only 84, of which government owned banks operated 58 branches. This Number began to increase slowly the following year, and in 1989 the gradual increase in banking activity signalized growing confidence in Uganda's economic recovery.

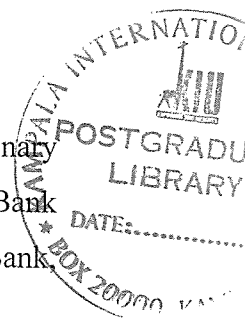
### **Transformation and Development of the Banking sector in Uganda**

The Ugandan economy that suffered a set back in 1998 started seeing its way for transformation and development after the financial sector went through a period of crisis. The economy's poor corporate governance practises, inadequate capital level, high levels of non performing debts and an adequate legal and risk management framework by then characterized the sector.

However, between 1988 and 1999 four insolvent commercial banks were closed by the central bank. These measures were designed to stabilize the sector and to restore public confidence in that important industry, and by 2004 there were 16 commercial banks and two development banks. One major landmark in this sector was the sale of the gigantic Uganda Commercial Bank to Stanbic bank of South Africa. This divested enabled government to get out of the business of running banks and it led to increased competitiveness.

In 2005, commercial banks continued to post healthy profits, their earnings are coming under scrutiny as concerns amount about the disparity between lending and interest rates paid to depositors. There are about 20 banks today operating in Uganda including Allied





Bank, Bank of Baroda, Barclays Bank, Cairo International Bank, Citi Bank, Centenary Bank, Rural Development Bank DFCU Bank, East African Development Bank, National Bank of Commerce and Nile Bank. Others are: Orient Bank, Stanbic Bank, Chartered Bank, Tropical African Bank, Diamond Trust Post Bank, and Uganda Development Bank.

In 2005, profit growth for most banks recorded double-digit growth. Increased lending to the public financed growing deposits boosted industry earnings. Private sector deposits at banks rose from 6% of GDP in 1999 to over 15% today. Over the same period, total assets of the banking system also rose from 12% of GDP to about 25 percent. The non performing assets as a ratio of total outstanding loans also declined from more than 50% in 1995 to less than 5% today.

Bank of Uganda (B.O.U) introduced new prudential regulations in 2003. The minimum capital requirement for financial institutions was increased; a measure intended to provide a cushion for losses and as safeguard for depositors' funds.

The creation of the commercial court increased the pace of settlements of commercial disputes, improved loan recovery further, and reduced non performing assets acquired using bank loans. The competitiveness has led banks into daily innovation to get more Ugandans in the banking system. Commercial banks have been able to introduce new products such as debit cards, cash cards, Automatic Teller Machines (ATMS), electronic funds transfer system including real time gross settlement (RTGS), new banking services, and especially packaged accounts to attract savers. The Micro finance institutions are also increasingly filling the gap.

### **1.1.3 Mission and Objective of CERUDEB**

The bank's mission is to,

*"Provide appropriate financial services especially micro finance to all people in Uganda, particularly in rural areas, in a sustainable manner and in accordance with the law"*

The main objective of CERUDEB is to promote and enhance development through loans to rural farmers, processors of agricultural produce to small traders

The bank also endeavours to participate in the government's poverty alleviation programme, with more branches spread across Uganda and with its centralized state-of-the-art banking network, the bank is determined to achieve its dream of "the Bank for all Ugandans" The Centenary Rural Development bank is focusing on achieving strong sustainable financial returns while promoting a more decent dignified and kinder society through the promotion of the triple bottom line of people, planet and profits

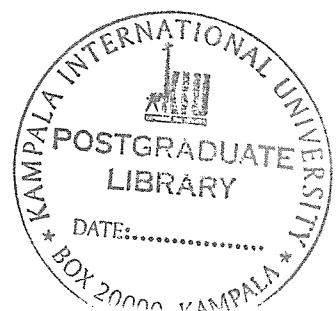
#### **1.1.4 Governance of the Bank (See Appendix)**

The bank is comprised of an effective and independent board which provides strategic direction. The Board comprises of two executive Directors and Nine Non-Executive Directors.

The board and all its committees (Shareholder's committee, Board risk committee, Managing director Board staff committee, Board headquarters' committee and Board Audit committee) all operate on well defined and agreed mandates, which set out their terms of reference, and are reviewed and revised regularly in order to keep pace with best international practice. All board committees have clearly defined and written terms of reference setting out their role, function, terms and responsibility.

#### **1.1.5 Staffing**

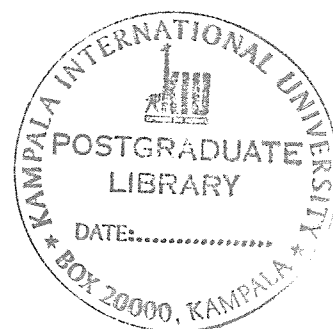
As of December 31 2005, the CERUDEB as a whole had 847 employees in 2005, 745 in 2004. The bank's staff turnover rate had been steadily declining; from about 10% in 2000, to 7.3% in 2002, and 4.9% in 2003 in 2004 the trend was back up to 8.5%, as a result of some high profile losses of senior staff. In 2005, the rate was back down to 6.14% staff turnover at branches. This can be tabulated as follows:



**Figure 1: Trend of labour turn over, over the past years**

Year	People employed	Turn over (%)
2000		10%
2002		7.3%
2003		4.9%
2004	745	8.5%
2005	847	6.14%

*Source: Centenary Rural Development Bank Annual Report, 2005*



## **1.2 Statement of the Problem**

CERUDEB's Annual report 2005 indicates a rise of turn over from 4.9% in 2003 to 8.5% in 2004, this was because of an expanded branch network and ATM centres throughout the country, where by employees who had gained experience and worked in urban centres, were transferred to rural areas. These saw a number of employees leaving the organization as they did not welcome the transfer and were not willing to work in rural areas hence they had to leave. These comprised mainly of the top and Middle managers, since these are decision makers, once they leave, decision making is hampered automatically and hence a problem to the management. Reasons for their leaving could be; personal ambitions, poor working conditions, the management style being offered could not be favouring employees and poor remuneration.

Additionally a high labour turnover could lead to loss of critical employees to the strategic success of the organization. these are employees that the organization's success may have been built upon in the past and its likely that existing structures are centred around them, for example loss of members on the board of directors who give strategic direction to the organization as a whole, researchers, computer experts (Campbell et al,1999).

Labour turnover has been a major concern to organizations, awakening them to realize the costs involved in hiring and training of new employees. High rates of labour turnover

act as a disincentive to employees plus its consequences like loss of experience curve economies, loss of motivation and spirit of teamwork. (Campbell et al, 1999)

A high labour turnover is of great concern to management as it greatly affects the performance of the bank. Though a certain number of wastages 3% of staff is normal, the 4-5% can be tolerated, especially in a service organizations, anything beyond that is high and usually it is a sign to management that something is wrong as cited by (Scott 1999)

The issue of labour turnover presents one of the greatest challenges to organizational performance. The problem appears to be relatively high in CERUDEB (Kampala City) despite the existence of formal recruitment procedures and management efforts to implement labour related incentives to staff, labour turn over has remained relatively high over the two years, posing a question to the management and a threat to the performance of CERUDEB-Kampala City, hence the purpose/overall objective of the study.

### **1.3 Objectives of the Study**

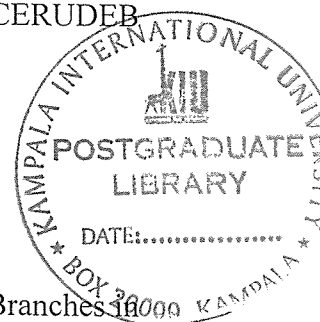
1. To establish the factors leading to labour turnover in the 3 branches of CERUDEB in Kampala area
2. To establish the relationship between management style and turnover of labour at CERUDEB-Kampala area
3. To examine the relation ship between turnover of labour and performance of CERUDEB-Kampala area
4. To come up with possible suggestions for the Bank to improve on performance and retain employees.

### **1.4 Research Questions**

1. What are the major factors leading to turnover of staff at Centenary Rural Development Bank –Kampala City and how it impacts on performance?
2. What is the relationship between management style and labour turnover at CERUDEB-Kampala City?



3. What is the relationship between labour turnover and performance at CERUDEB Kampala City?



### **1.5 Scope of the Study**

The study was concentrated on Centenary Rural Development Bank is three Branches in Kampala that is, the Main Branch on Entebbe Road, Talenta House, and its Annex on Entebbe Road and Namirembe branch.

### **1.6 Justification/purpose of the Study**

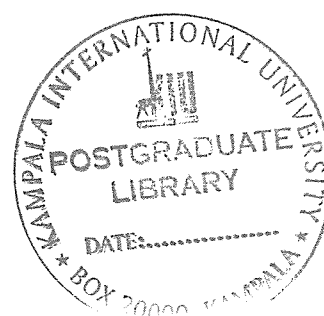
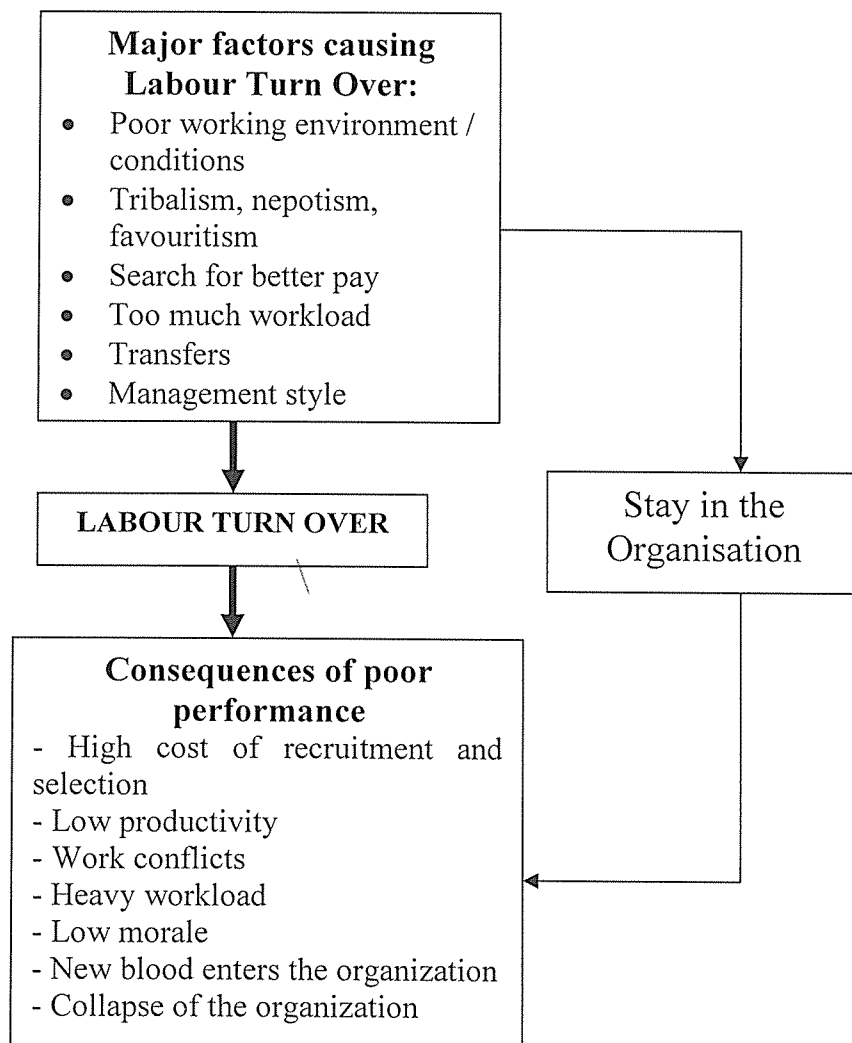
The study intends to help CERUDEB (the three branches in Kampala City) since the top officials are based in Kampala. The study seeks to establish the major factors leading to turnover of her staff with a view to minimizing its negative performance.

The study intends to benefit the policy makers specifically, shareholders of Centenary Bank to understand the importance of management style in relation to turn over so as to make them people focused.

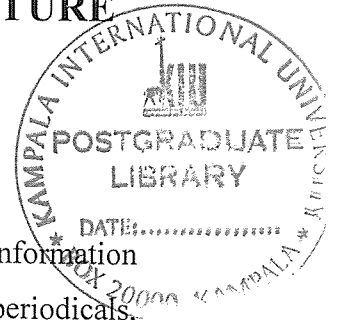
The study intends to examine the relationship between labour turnover and performance of CERUDEB-in Kampala City. It will develop/ offer recommendations on the approaches that management could adopt to minimize labour turnover, these will further generate discussions for future researchers, scholars and academicians

## 1.7 CONCEPTUAL FRAME WORK

Figure 2: Labour turnover frame work



## CHAPTER TWO: REVIEW OF RELATED LITERATURE



### **2.0 Introduction**

This chapter reviews the available literature that is relevant to the study. The information used is collected from secondary sources that include, academic journals, and periodicals, textbooks, reports, newspapers and the Internet. It is aimed at reviewing those factors that lead to labour turnover and their relationship to organisation's effectiveness.

### **2.1 Definition of Labour Turn Over**

According to Newton and Keith (2002), labour turnover is defined as the proportion of employees leaving an organization during a given time (usually a year). Newton and Keith attribute high rates of turnover to job dissatisfaction, this is so because employees may lack self-fulfilment, receive little recognition on the job or experience continual conflicts with a supervisor or peer, or they may have reached a personal plateau in their career.

While Armstrong (2001), further defines labour turnover as the analysis of the number of people leaving the organization (labour turnover or wastage) that provides data for use in supply forecasting, so that calculations can be made on the number of losses that may have to be replaced.

### **2.2 Types**

#### **2.2.1 Voluntary Turn Over**

Bearwell (2004, pg 166), asserts that voluntary labour turn over occurs where there are voluntary controllable. Heneman (1996) also, indicated that voluntary turnover depended

on employee perception of the desirable and ease of movement. For example, people leaving the organization due to factors that are within the organizations control like dissatisfaction with pay, relocation and health problem.

### **2.2.2 Involuntary Turn Over**

Involuntary labour turn over on the other hand is usually determined by the organization. That is, through dismissal for one reason or the other; and retirement.

Managers should therefore attend to voluntary, controllable leavers because those factors can be addressed by the organization in order to reduce the rate of labour turnover

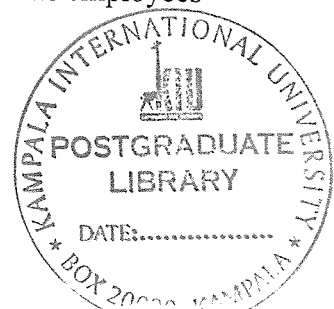
## **2.3 Factors Leading To Labour Turn Over**

Having looked at the process of labour turnover, the study decided to focus on those factors that lead to labour turnover. This section of the study is meant to provide a theoretical understanding of the factors as per the scholar's views.

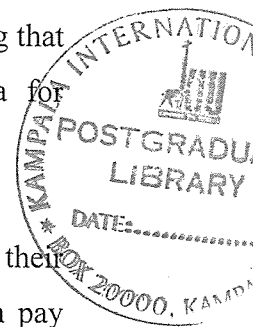
According to Magezi (1992), the causes of labour turn over in Uganda British American Tobacco (B.A.T) were the methods of selecting workers, ignorance of wages paid among new comers, the method of payment and short time migration of target workers.

Where as Mamoria & Gankar (2001), depicts the situation as being characterised with resignations may be due to dissatisfactions with their working conditions; insufficient wages, bad health, sickness, old age and exodus to the village for agricultural operations where by jobs are taken when these people are away. The authors tend to portray those factors that cause of labour turn over in an informal sector without elaborating as to whether those in the formal organization might be different.

However, Cole (1993) argues that the retention of employees in an organization is determined by the ability of the organization to meet the employees' personal career and competence needs. In other words, the inability of the organisation to meet its employees'



personal career and competence needs will lead to labour turn over. The reason being that this ability is a source of personal self esteem and it does provide an area for achievement, it becomes difficult to retain workers.



Heneman concurs with Armstrong (2002), that individuals typically seek to improve their employment conditions when they change jobs, he observed that the organization pay levels influence voluntary turnover, that is to say, employees tend to compare their pay with pay levels available in other organizations, when better pay is available elsewhere, there is attendance to quit ones employer and accept the job with a higher pay opportunity. In this case both Heneman (1996) and Armstrong (2002), are trying to explain pay as a cause of labour turn over.

Heneman (1996), as cited in Nandala (2000), pointed out that, employees with the best work qualifications are likely to find it easier to leave organizations and find alternative employment opportunities. These are referred to as fast trackers and most of them are flooded in the areas of computing. Here, the work qualifications such as experience are being noted as causes of labour turn over in the organisation.

Age also matters where by young people are rendered more mobile and find it easy to leave especially if the organization does not offer opportunities that satisfy them. Additionally the young are too ambitious and too expectant, in so doing they make mistakes and finally pave ways to their termination.

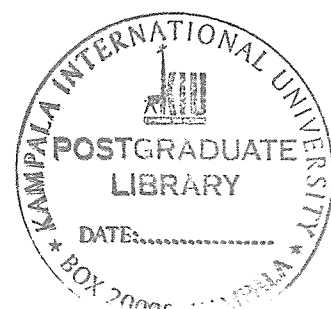
Hanagan (2002) says that when employees are trained they become more flexible, the productivity and quality of work improves, and job satisfaction increases with consequent reductions in absenteeism and staff turn over. Lack of training and development- (staff development) – which involves employee participation and empowerment tends to provide a sense of satisfaction within the employees. While the reverse is true that the unsatisfactory state will lead to labour turn over.

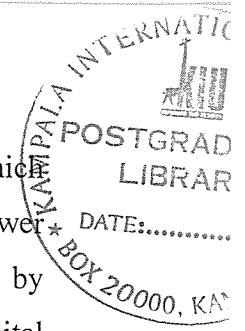
Although Mullins (1999) in his book *Management and Organizational Behaviour* says that the purpose of training is to improve knowledge and skills, and to change attitudes. It is one of the most important motivators. After training and acquisition of skills the employees see a variety of alternatives, because the training has given him the competence he may decide to stay with the organization because he is able to perform to his full potential, but gaining training.

Lack of proper human resource planning could be yet another factor that may lead to labour turnover. Bohkander, *et al* (2001), states that lack of human resource planning makes it difficult for employees to make effective plans for career or personal development. As a result some of the more competent and ambitious ones may seek other employment where they feel they will have better career opportunities. Planning for the human resource incorporates age and sex, trend in population and existence of jobs to be filled. When this planning is not done rightly, the organization may end up being understaffed, impose pressure and stress on existing staff and hence turn over. The organization can also be overstaffed which will lead to redundancy, whereby people feel they are not being used to their full potential leading to frustrations which may also lead to turnover.

The external market can greatly influence turn over rate if the organization is operating in an environment where competition is intense especially with banks, they tend to recruit people who are computer literates especially the young people, and this will lead to search of better employment opportunities, (Cole 2002).

Hygiene factors as stated by Hertzberg (1966) cited in Cole 2002 may be a cause to labour turnover. These include: company policy and administration i.e. where the policy does not favour employees and may lead to confusion, supervision, relationship with supervisor, working conditions, salary, relationship with peers, personal life, relationship with subordinates, status and lastly security. These are more closely to the working environment and may lead to job dissatisfaction or nil response hence staff turnover.





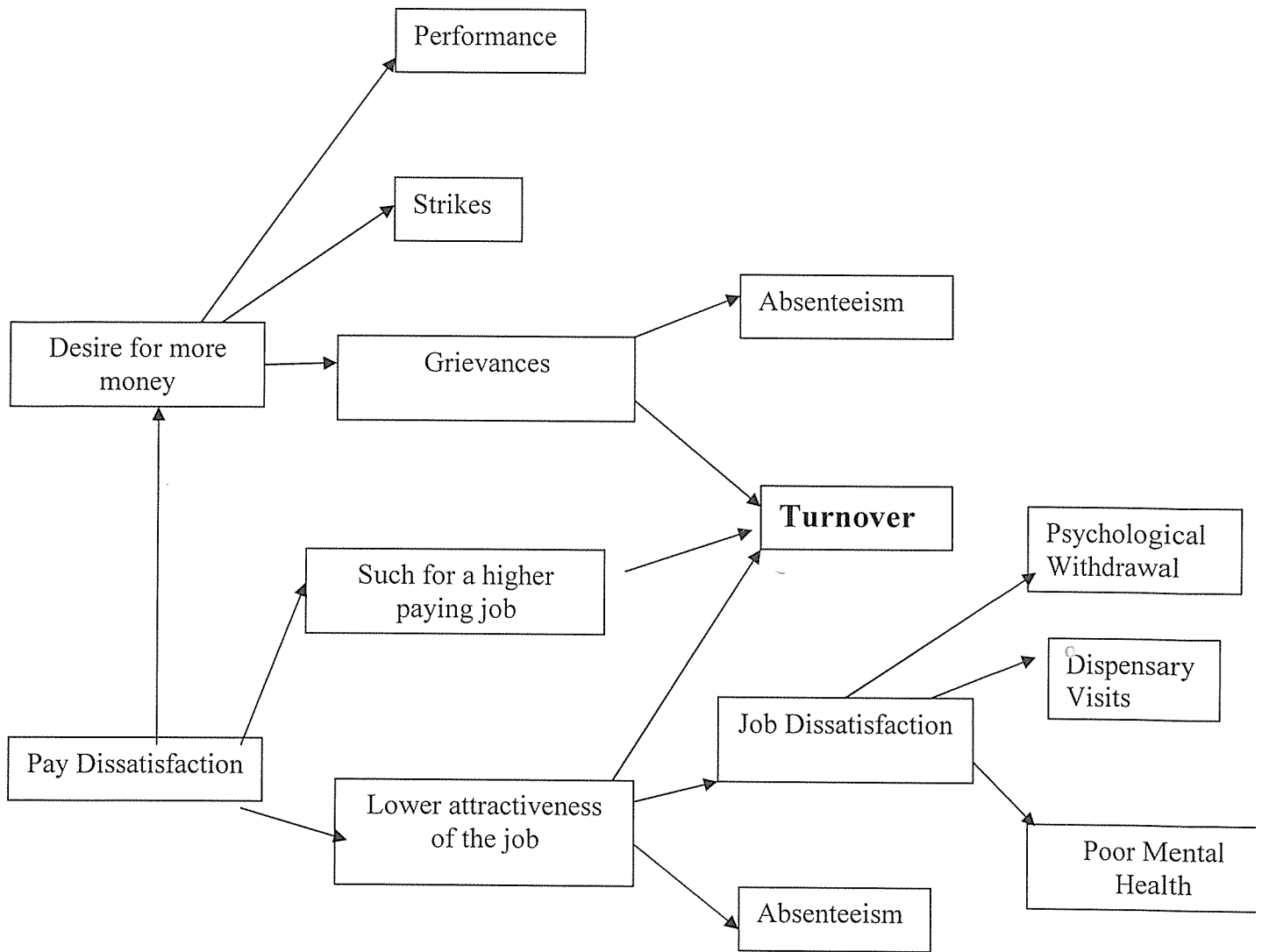
Motivation as defined by Cole (2002), is the process, both instinctive and rational, which occurs in an individual when seeking to satisfy performance needs and wants the power of motivation, is indisputable: people behave differently when they are motivated by whatever motivating factor. Harold (2003) notes that de-motivated workers drain capital from businesses. while managers are to work with individuals to achieve their desired goal, as a motivator, they must work to remove the barriers to those desired goals otherwise when the barriers are not dealt with, the worker gets frustrated, his productivity will decrease, he will start coming to work late, absenting him or herself and eventually leaves the organization

Campbell *et al* (1999), noted that the organization's culture may be a cause of labour turnover. Organization culture is essentially the collection of shared values, which provide employees with explicit and implicit signposts to what has come to be regarded as preferred behaviour in organization; Organizational cultures are likely to be greatly influenced by national cultural characteristics. Culture is very important because it can and does affect all aspects of an organization's activities. The metaphor of human personality may help us to understand this. Some people's personality means they are motivated, sharp, exciting to be with; others are dull, tedious, apathetic and conservative. These personality features will affect all aspects of their lives. The same is true of an organization's 'personality'. Culture can have an influence on employee motivation and the attractiveness as an employer.

Where as Armstrong (2001) advanced that labour is caused by the desire for more pay, better prospects (career move), more security, and more opportunity to develop skills, better working conditions, poor relationship with a manager /team leader. He further noted other causes of labour turnover as, poor relationship with colleagues, harassments; other causes are personal for example: pregnancy, illness.

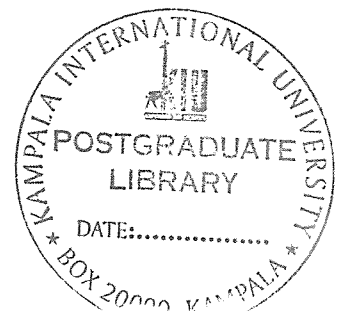
Consequences of pay dissatisfaction, which may lead into labour turn over, are presented diagrammatically as follows:

**Figure 3: Consequences of pay dissatisfaction**

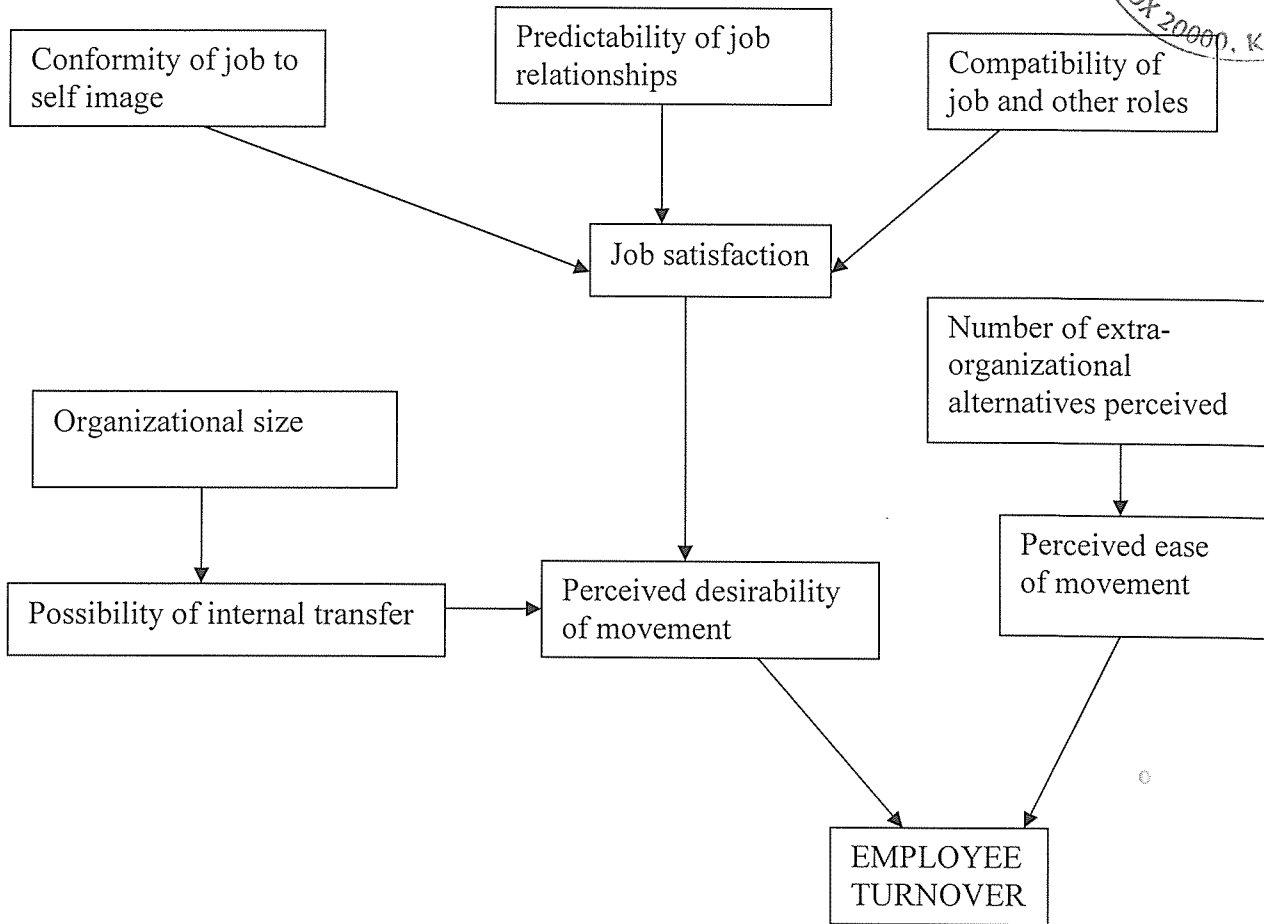


*Source: Subba (1996)*

March and Simon (1958:99) summarize the causes of labour turn in their model shown below using a number of dimensions. These dimensions are referred to as the determinants of labour turnover with job satisfaction as their principle lever that affects ‘employee perceptions of the desirability of movement’.



**Figure 5: Simplified version of March and Simon's Model (1958:99)**



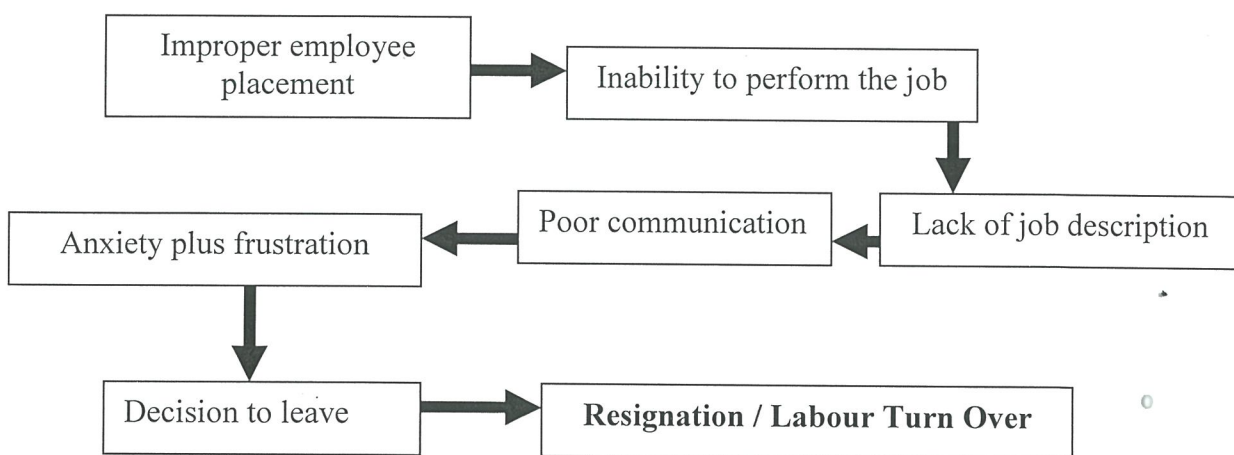
## 2.4 The Process

Labour turnover usually starts with an individual employees' inability to perform the job. such can be caused by a number of things, such as placement of people in wrong jobs, anxiety due to inability to perform the job well, no job description, and too close supervision or lack of it. Other causes include: poor communication regarding changes and working conditions, especially if it is perceived that management is not doing any thing about it. Cumming (1994) asserts that frustration "is as a result of tension arising in a work place through dissatisfaction with the jobs concerned, physical conditions or the

people working there”. He further notes that frustration will create low level of production, poor quality service and a high level of absenteeism and labour turnover. He also notes that lack of recognition of individuals and their capacities to take on more responsibilities is usually reflected in the interference of specialists in what people consider being their main tasks. All these could trigger the process of frustration, which will eventually lead to turnover.

The process of labour turnover can be represented diagrammatically as follows:

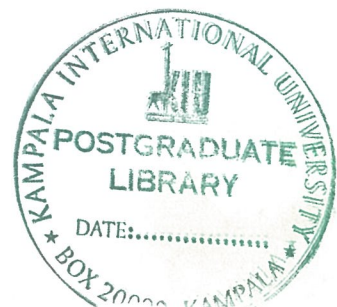
**Figure 2: Process of Labour Turnover**



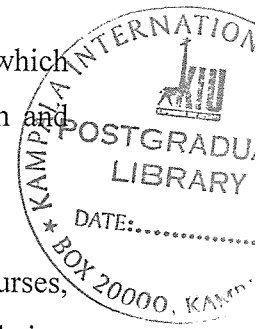
## **2.5 Relationship between Labour Turn Over And:**

### **2.5.1 Management Style:**

Management’s interest in labour turnover is strongly related to the business cycle. Under conditions of economic decline when the demand for labour is decreasing, turnover is not so much considered a problem, as rather a blessing for the prosperity of the individual, the organization and society (Gaudet, 1960; Pettman, 1975). However, the management style has direct effect on the well being the staff and their level of work Performance. Different styles of management may be appropriate in managing different people at different circumstances. Managers decide the manner in which work duties and



responsibilities are to be undertaken. The manager creates the environment in which people and the nature of the manager –subordinate relationship can cause tension and stress both of which can make the employee leave the organization.



In a survey carried out by Taylor (2001) investigating the high turnover among Nurses, 63% left for reasons that could be categorized as ‘controllable’ one of the reasons being low staff low levels. In departments where there was pattern of poor supervisor-subordinate relationships. It became very clear from the research that some nurse managers were for more effective motivators than others, and that developing their supervisory skills would lead to improved retention of nurses in their departments.

Lawrence (1997) notes that line managers also play an important role in the area of Employee retention, because their management style can have a major impact on a subordinate’s decision to remain with the company. Managers must be able to establish good working relationship with their workers by treating them in a fair and constant manner, while exhibiting concern for their well-being. Managers must also be effective teachers, motivators and communicators. These “people Skills” are especially important in today’s environment in which managers face the challenge of having to manage a diverse and newly empowered workforce.

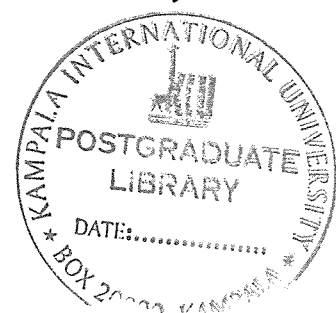
In another related development Gillip (1998) launched a massive investigation to find out what would attract and retain the most productive employees at work places. It was carried out across 2,500 business units and 105,000 employees in 24 companies. It was discovered that a manager plays a critical role in building a strong work place. The study showed that people leave managers not companies. Turnover is mainly a manager issue because he defines the work environment. Managers should take a personal interest in the well being of his employees to gain respect and loyalty. Managers should therefore emphasize someone’s positive aspects more than the negative. Good managers catch people doing the right thing. McGregor (1960) went further to suggest that an organization is more likely to harness its staffing resources if there is a participative style of management.

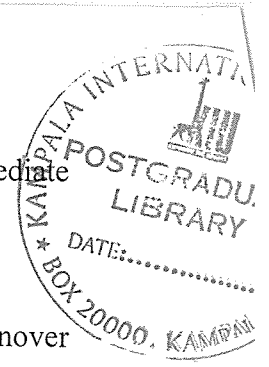
Douglas McGregor (1960), reflecting on leadership at work, took the available literature on organizations and examined contemporary managerial policy and practice. His conclusions were that there were two contrasting sets of assumptions about people underlying managerial attitudes and behaviour. He gave two sets of assumptions the deliberately neutral labels of theory X and Theory Y his achievement lay in drawing attention to two contrasting types of managerial attitude.

Conclusively, theory Y assumptions are those of the humanist-manager, who takes an optimistic view of people's attitudes and skills. But if employees are left to do what they want, they may not produce good results and hence they might be terminated for the bad out put. Hence a manager is either motivated by either theory X or Theory Y

Faskas and Wetlanfer Havard (1998) reviewed the idea and this was concurred with the Preceding authors saying that "a leadership approach is coherent, explicit, style of management, not a reflection of personal style." They continue, that "chief executive officers do not simply adopt the leadership approach that suit their personalities but instead they adopt an approach that will best meet the needs of the organization and business situation at hand"

Further ideas on the relationship between management style and labour turn over, by res Medly and Lorechelle (2001), Xiaoping Chen( 2001) cited in Nansasi(2004), have made attempts to establish whether a relation between management style and turnover exists. They observed that the leadership style is most likely to influence the employee's choice of either staying or quitting the organization. The basis for this argument is that leaders control significantly rewards and punishment both tangible and intangible. Similarly the view of the leader- subordinate attachment has been found to be an important factor in influencing retention and reducing turnover. There is thus a belief that the more a subordinate attached closely to a leader, the less he/she is likely to quit the job. Hausenstein (2000) confirms by asserting that "Employees quit Leaders" style of leadership and not necessarily organization. He affirms in his research carried out among the registered nurses that, "leadership has proved to be a common reason for voluntary





turnover". Adding that, "when workers continuously have problems with the immediate supervision, they are more likely to seek employment else where".

Research by Stogdill *et al* (1957) at Ohio University discovered that Employee Turnover rates were lowest under leaders who were rated high in consideration for people. Whereas high turnover rates were associated with leaders who were rated low in consideration for people and high in task oriented. However such rating also depended on the situation service.

Curie (2001) Concurs with the above author suggesting that democratic leadership style reduces staff turnover. He emphasized that when a leader is democratic and consultative, employees look toward coming to the work place, they experience feelings of attachment and feel not only that their work efforts are appreciated and understood but also valued and trusted. Fiore (2001) in line with the above assertion contends that while pay may be an important motivator, it follows that staff who do not feel comfortable with their bosses are forced to leave rather than suffer mistreatment.

### 2.5.2 Performance

According to Cole, (1997) a turnover of 25% would be considered perfectly satisfactory by most firms; a turnover rate of 100% would be considered a major problem. He noted out that once workers leave, there is disruption to production of goods and services, wasted investment in people (i.e. staff go with their skills) may lead to difficulties in attracting new staff, additional cost of training especially induction and initial on job training. Cole's discussion on the effects of turnover presents an informed view of what transpires in a business environment, but a turn over of 25% is not tolerable as Cole suggested.

Scott (1999) is of the view that turnover of over 5% is an indicator that there is something wrong in the enterprise. It should therefore be noted that, labour turnover is as a result of departure of an old employee and succession, infusion of new blood as Mamoria & Gankar (2001) advanced, or the departure of an incompetent and unqualified employee,

anything to the centrally should never be tolerated in any organization worth its name, it is in fact a great impediment to organizational Performance.

On a related issue Newton & Davis, (2001), point out that labour turnover has got negative consequences. They argued that it is difficult to replace the departed employees and that the cost to the organization of replacing workers is expensive. He further asserts that the remaining employees get demoralized from the loss of valued workers and both work and social patterns get disrupted until replacements are found, also the organization reputation in the community may suffer. Newton and Davis' (2001) view point may be a true reflection of what happens in most organizations because when some employees leave, there seem to be a feeling of insecurity among those who remain and as a result, morale goes down and performance therefore declines.

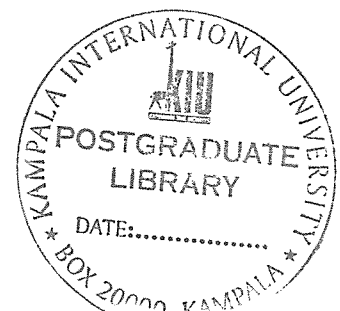
Armstrong, (2001) enumerated costs associated with labour turnover as costs on recruitment, induction of new recruits, time spent in recruitment by managers, training replacements in necessary skills, reduced inputs from new starters before they are fully trained and in the process performance of the organization is affected substantially. Much as this is peculiar in organizations, this research explores how management style affects performance at CERUDEB. Hence management style affects the performance of organisations. This is crowned by Lawrence (1960) who zeroes down on costs to the organization and management but does not bring out other effects are not given attention like low productivity, low morale, and job insecurity.

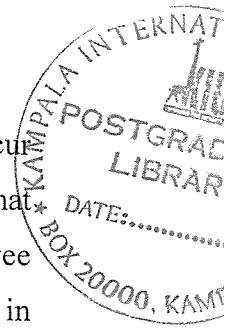
Research findings by manpower research and statistics department (Singapore 2000) established that excessive labour turnover can impede development of stable relationship between firms and their employees and this ultimately leads to low productivity of the organization. This is because at times some valuable employees leave the organization.<sup>4</sup>

The above assertion contributes greatly in explaining the relationship between labour turnover and performance but it is important to ascertain whether this obtains at

---

<sup>4</sup> [www.gov.sg/mom/manpower/manrs/manrs5.htm](http://www.gov.sg/mom/manpower/manrs/manrs5.htm).





CERUDEB. On the other hand, firms with high turnover would also have to incur substantial costs in terms of recruitment, interviews and training, replacing the staff that have left, loss of knowledge, experience and business networks when a valued employee leaves the organization and as a result performance declines. This seems to be common in organizations but not too much in commercial banks. The research will labour to establish to what extent the above situation manifests itself in commercial banks

According to Mamoria & Gankar, (2001), labour turnover is a great handicap to workers and industry alike, for it brings about reduction in skills, efficiency and output for the industry. He however admitted that labour turnover is welcome and natural especially when it is as a result of retirement of an old employee and accession of new blood. His view augurs well with what happens in most organizations and it helps the organization to acquire new staff to steer the organization into success but this is not automatic, for the new recruits have to be trained and performance slows down during the course of training until it gradually picks up.

#### **2.5.2.1 The impact of labour turnover on organisational Performance**

Lauri J Mullins (1999) notes that not only does labour turnover lead to increased costs but it has also the “disruptive effect” on the issue of managerial time. In addition, a very important intangible cost of high labour turnover is the morale, motivation and job satisfaction on the staff, which will affect the efficiency of the organization. Productivity will be low or delayed and will affect profitability in the long run. It adversely affects the performance of the organization and the customer satisfaction. The effect /impact of labour turnover vary from industry to industry; there is therefore a debate about the level of which turnover rates have to reach in order to inflict measurable damage to the organization

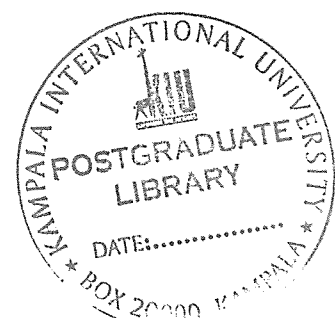
Tarrington *et al* (2002) urged that some industries can go as high as 30%, but in professional service organization where there is a relationship between a client and an employee 10% can cause damage. there are some good arguments that are in favour of labour turnover, organizations getting new blood and avoiding becoming stale especially

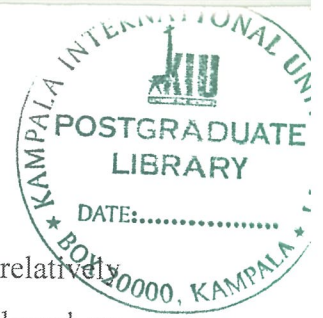
at the senior level of management where new leadership is required to drive change. New faces bring in new idea and experiences. But the other arguments are that; it is very costly to replace people, poor performance in the part of the new workers.

Most importantly high rate of labour turnover indicates some how that there is a problem with the management, which can send negative signals in the market. This can make it difficult for the organization to recruit new workers. Tarrington (2002) says that companies which achieve rates below their industrial average are likely to enjoy competitive advantage than those whose rates are high. On top of this, when new employees come in, they will not perform at the same level, they will have to learn the organization first, and during this period, productivity is low. Even before a replacement is found some body else will be assigned to do that work, which will put stress on that employee because he is doing work for two this has an impact on performance as it reduces productivity.

Tim Honnagan (2002) raises the same arguments and adds that morale is very low in organizations with high labour turnover. It also damages an organization's public image-creating negative corporate image. High skilled employees will not be attracted to such organizations. It also demoralizes those who remain and reduces on the team work because there are new employees always. Such an organization cannot maximally achieve its goals and objectives since the newly recruited may not be committed to the organization.

Labour turn over also has an impact on the delivery of service , the new employees has to learn the organizations .During this time, services are delayed which can cause customers to look else where for quick service. There is also an added cost to the organization i.e. those who are leaving have to be given their package; However, Mullins asserts that the costs of recruiting and engaging new members of staff are considerable costs





## **2.6 Benefits of Labour Turnover**

Labour turnover is not all that bad it helps organizations get relieved of relatively expensive employees - Especially in case a firm uses compensation system based on seniority or if the premiums for social security are age related. If the rise of labour costs exceeds the increase of productivity of an employee, replacement of the latter becomes profitable. Additionally it helps organizations get relieved of less productive employees for example those who loose productivity due to aging, physical and mental wear or because they cannot cope with rising work pressures

Labour turnover helps terminate bad matches- even under the conditions of careful recruitment and selection procedures, some matches turn out to be better than others this holds especially when productivity and performance do not so much depend on technology as well as on social relations and contextual skills (McEvoy and Cascio, 1987)

Additionally, Labour turnover creates possibilities for replacing employees and therefore enables firms to import new types of knowledge, ideas, experience and skills. Taylor (2001) notes that high turnover gives employers more opportunity to promote and develop valued staff and reduces the need to make costly redundancies when there is downturn in business. High labour turnover is less worrying in industries employing people in relatively low-skilled occupations. An organization needs people with different skills and experiences so that it does not become stale and complacent. When people leave the organization it creates room for others to get promotions and provides career development opportunities for existing workers

The personnel demand of a firm is dependent on external conditions of which the market and the business cycle are important ones. Hence, some variation in the number of staff employed is inevitable. Compulsory redundancies may lead to substantial costs because of severance pays and may weaken the psychological contract with those workers who leave behind. A sufficient amount of "natural" labour turnover may facilitate these

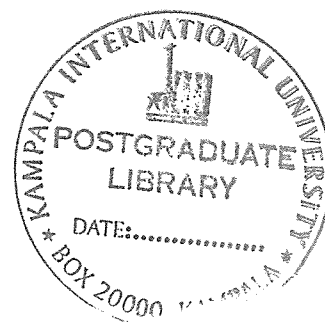
adjustments. More so, Internal labour markets provide the opportunities for career development of employees and are therefore an important instrument for motivation, the more if productivity is not easy to measure in the short run (Baron and Kreps, 1999:171-172). Turnover creates the vacancies required for the internal labour market to function properly. Labour turnover is the price organizations have to pay for the employment of young highly skilled and well educated professionals. Although these “job hoppers” will leave the organization inevitably, during their stay they contribute significantly to the organization’s success. Prevention of this kind of turnover would be the employment of more average” employees who are less attracted by the external labour market (Cappelli, 2000).

Conclusively, the arguments in favour of labour turnover are- organizations need to be rejuvenated with fresh blood from time to time for an organization to be able to continue with an upward growth. This is particularly true at senior levels, where new leadership is often required periodically to drive change forward, and improve on the organization performance, new faces bring new ideas and experiences, which help the organization more dynamic.

## **2.7 Performance Appraisal**

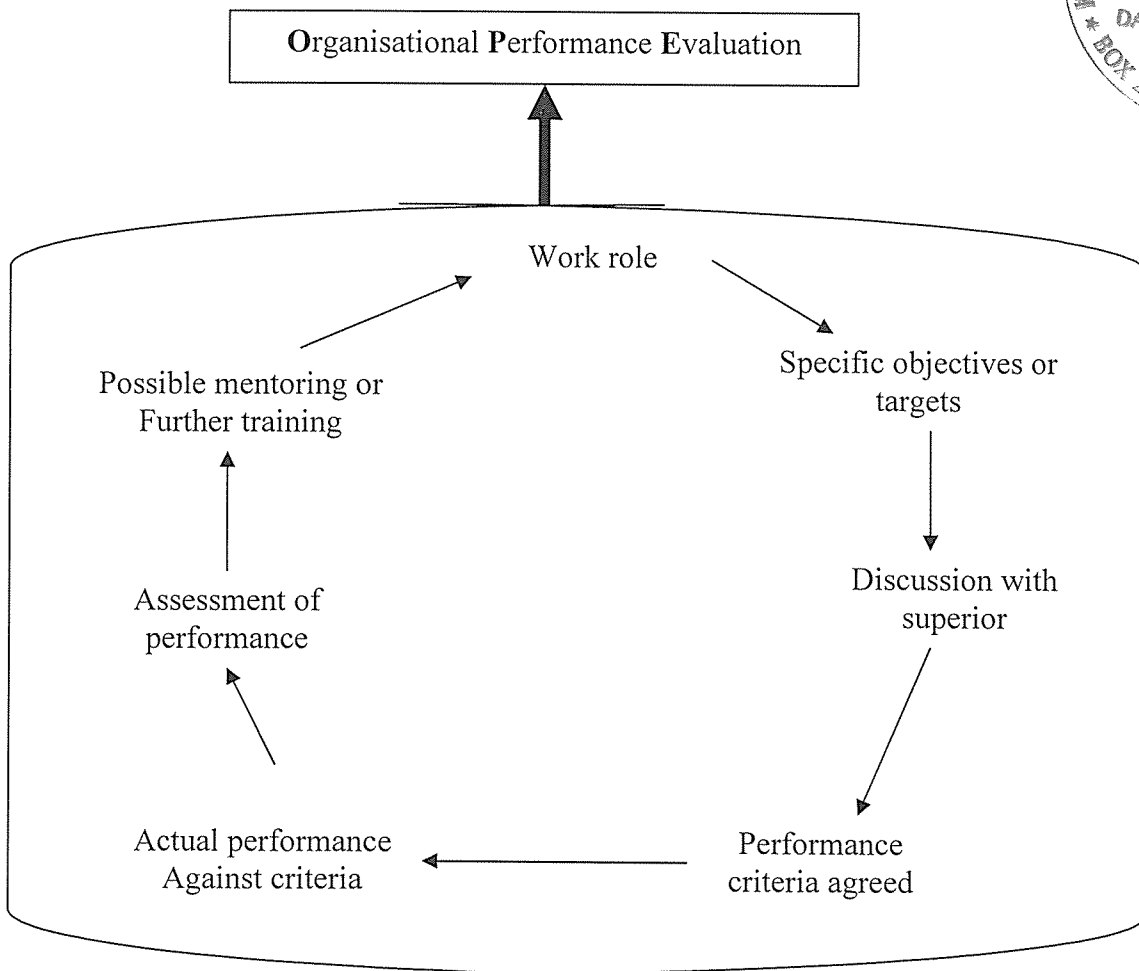
The overall performance of the organisation shall inevitably depend on the individual performances of the employees in the organisation. Therefore for an organisation to exhibit/show itself as an exceptionally or excellently performing organisation, it ought to know how its individuals are performing; especially at the job. Individual performances stand as a core stone for organisational performance hence the necessity to understand the relevance of individual appraisals to organisational performance.

According to Nickels, *et al* (2002), performance appraisal is an evaluation in which the performance level of employees is measured against established standards to make decisions about promotions, compensation, additional training or firing. This is a task requiring a quality of managerial judgment, which places a considerable responsibility on the managers involved.



The whole exercise of performance appraisal is geared at finding out who are the star performers in the organization. These are to be promoted, raise their pay. It is very important for an organization to identify their star performances, to encourage them and these are very important for the success of an organization especially if it is going down they can be able to turn it around.

**Figure 4: The context of Performance Appraisal in relation to Organisational Performance**



*Source: Cole, 2002*

Employee performance appraisal is an important means by which organizations improve their chances of attaining their key operational goals. Employees who know what, and how much, is expected of them are likely to be more effective than those who are unclear

about their role. The process of appraisal it self (refer to figure 2 above) is an important way for managers and their team-members to work together on the issues that really matter. If the process encourages a joint problem- solving approach, in which other team-members may be involved, it can contribute to individuals' maturing in experience and obtaining greater job satisfaction.

## **2.8 Challenges to Organizational Performance**

Poor performance in Organizations can be caused by the following:

Labour turnover- which results into costs of replacing the new employees

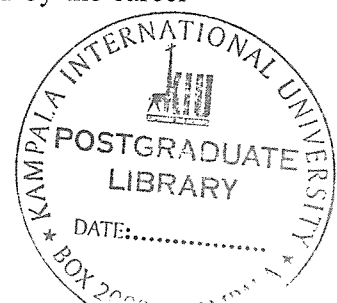
Lack of human resource planning-Human resource planning as defined by Cole (2002), 'is a technique aimed at securing and improving an organization's human resources to meet present and future needs; three principal stages can be distinguished: evaluation of existing resources, forecast of future requirements and, finally, action plan'. If the human resource planning is not sufficiently done, it means that there will be insufficient labour, hence will not meet the demand. This will result into overworking the available labour hence poor performance.

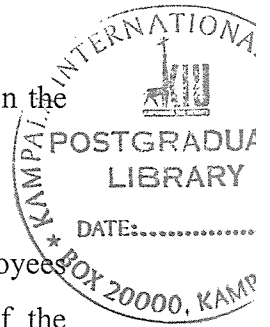
Lack of Motivation to employees may affect the organizational performance- the degree of satisfaction obtained by individuals, however, depends largely upon their own needs and expectations, and the working environment. However research has not established any strongly related positive connection between satisfaction and performance, (Cole 2002)

## **2.9 Succession Planning As A Strategy To Labour Turn Over.**

The aim of succession planning is to ensure that, as far as possible, suitable managers are available to fill vacancies created by promotion, recruitment, death, leaving or transfer. It also aims to ensure that a cadre of managers is available to fill the new appointments that may be established in the future.

The information for management succession planning comes from organization reviews and demand- and supply forecasts. The succession plans will be influenced by the career





dynamics of the organization, often of limited validity, on who is ready now and in the future to fill projected vacancies (Armstrong, 2001).

This model describes how a balance is struck both for the organization and its employees in terms of inducements and contributions which ensures continued survival of the organization. The organization offers inducements that is, pay to encourage employees to participate, and contribute i.e. work. Where these inducements are increased, this reduces the propensity of the employee to leave and vice versa. The importance of this model can be assessed in terms of the number of ideas, which it incorporates that are still the objective of turnover researchers' attention. The labour market account of turnover can be incorporated within this model in terms of the internal and extra-organizational opportunities; with expected utility being assessed in terms of 'perceived desirability' and perceived ease'.

## **2.10 Conclusion**

Planning for a rationale approach to the demand and supply of labor to meet the organization's objectives is neither an easy nor ignorable task for management. Since, people seem to be most volatile resource available to organizations, and they are recruited, employed and rewarded against a complex background of economic and social forces, which make organizations' decisions problematic for human resource planning. What can be said; however is that organizations which do adopt a rationale approach to manpower planning will be better able than their competitors to maintain and renew a viable workforce capable of ensuring the success of the enterprise, (G.A Cole, 2002).

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.0 Introduction

This chapter explains in specific terms how the study was carried out. It is an analysis of the area of study, the survey population, the sample study, the survey population the sample which was studied, and how it was selected from its parent population.

It further highlights on the methods that were used to en list relevant data and how the data was processed and analyzed.

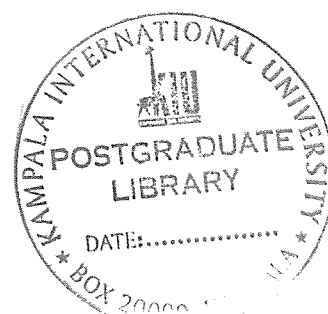
### 3.1 Research Design

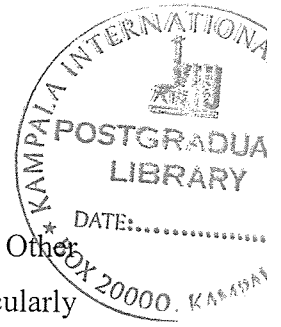
The study uses a design that involves both quantitative and qualitative data collection techniques. The techniques shall include questionnaires, face-to-face discussions and meetings; documentary reviews.

### 3.2 Sampling:

The need for sample selection was important in that the researcher could not cover all the branches from all the selected areas due to time and other resource constraints

The Survey population composed of CERUDEB employees (decision makers). The sample size comprised of 75 respondents selected from the top management and middle management as these are the key decision members. The researcher strongly believes that data collected from these respondents (in a few branches namely: The main branch on Entebbe Road, its Annex on Entebbe Road and Namirembe branch provide a relative reflection of what happens at all other branches in CERUDEB. The stratified random sampling method was chosen because of its simplicity and cost effectiveness. This method of sampling is free of bias. Three people from top management were selected for face to face interviews one from the loan's department, one from the operations department and the other from the Human resource department in charge of staff welfare. However it was difficult to give me the information as it's a Bank policy not to give out their information.





### **3.4 Secondary Data Techniques**

Secondary data specific to the company was obtained from their Annual reports. Other sources for secondary data included newspapers, journals and the internet particularly CERUDEB's website were used. A review of existing literature was also carried out to obtain secondary data; this was done while focusing on the topic under study.

Wilson (2003) says that data is a value only if it is relevant to the objectives of the particular research project. Secondary data made it possible for the researcher to make comparisons between the various writers: it is through literature review that one can get the current knowledge on the subject and identify significant variables. Additionally, secondary data made it possible to make comparisons between the various writers and was able to take a standpoint. However, there are some disadvantages of secondary data as noted by Alan Wilson (2003) that information obtained from secondary data is not always designed specifically to meet the objectives of the research .

The study identified independent and dependent variables, which were in line with research at hand, theory and literature relevant to the problem of investigation. The variables were included in the questionnaire so as to achieve the objectives of the study and see to what extent such variables affect the organization. The study was able to make interpretation of the collected data and this data was qualified and analyzed as will be seen in chapter four. It was important to quantify data so that the figures could be got on which to base arguments and also analyze the extent of the problem using figures.

### **3.5 Primary Data Collection Techniques**

Primary data was collected through the use of observation, questionnaire and conducting an interview.

### **3.5.1 Observation.**

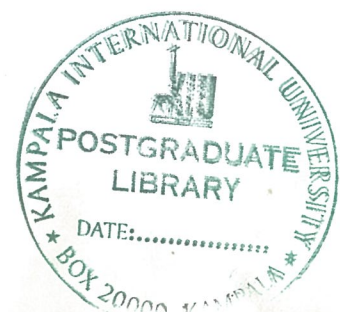
This method was used because it presents the most natural way of getting information. Observation was used to evidence the poor working environment especially at Namirembe branch and the main branch which was one of the factors leading to labour turnover among the top management

### **3.5.2 Questionnaire.**

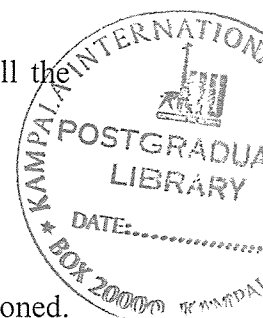
A questionnaire was found to be more appropriate as it had both open ended and close-ended questions. Space for “other” was provided at the end of the questionnaire. It was assumed that this would overcome the weakness of obtaining data from closed questions only. This is a method commonly used by researchers to collect data. It is designed in a way that it enhances the researcher in data collection. A number of questionnaires were sent to selected respondents from the study population these included both open and closed ended. Since all respondents were literate, questionnaires were of great value in enlisting opinionated information on labour turnover and organizational performance at selected branches of CERUDEB as earlier mentioned. However, a questionnaire has difficulty in eliciting the strength of intensity of feeling about a topic. Most of the closed ended questions followed “Liker Scale” Wilson (2003), here respondents were asked to tick one answer indicating the strength of agreement or disagreement. Open ended format, questions were posed and respondents were asked to answer in their own words. This enabled the study to obtain answers from the respondents’ own thought, however, its time consuming and difficult to analyze.

### **3.5.3 Interviews**

The study found it necessary to have face to face interview with one of the top managers to explore in detail what the causes of labour turnover are, what can be done to reduce it and what impact it has on the performance of CERUDEB. The study was guided by the research questions to establish the above .in here an interview guide worked as an aid to the researcher, the researcher choose interviews as a tool for enlisting relevant data



because some respondents had tight schedules that they could not get time to fill the questionnaire, especially field officers banking assistants and banking officers



### **3.5.4 Data analysis**

The study analyzed both quantitatively and qualitatively data as earlier mentioned. Quantitative analysis involved use of Statistical Package for Social Scientists (SPSS) because the researcher found the responses easy to code. It is faster and appropriate for the enlisted information. Qualitative analysis was used on responses from interviews, however, this was time consuming and difficult to analyze

### **3.6 Limitations of the Study**

The Primary data of this research was got through the use of the questionnaire, observation and face to face interviews. It was not possible for the researcher to conduct interviews with everybody as they were very busy. This means that the data was more of quantitative than qualitative. It is important that future researchers on this subject should conduct face to face interviews.

Secondly, it was noted that open ended questions received fewer respondents than the closed- ended questions

It was very difficult to get information from the bank, as it's a bank's policy not to give out their information; however the researcher was able to get the information from a few staff members from different branches

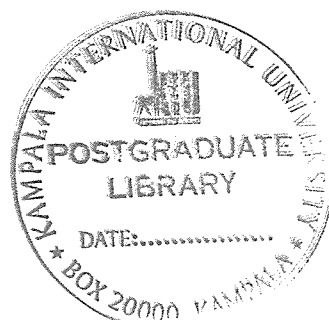
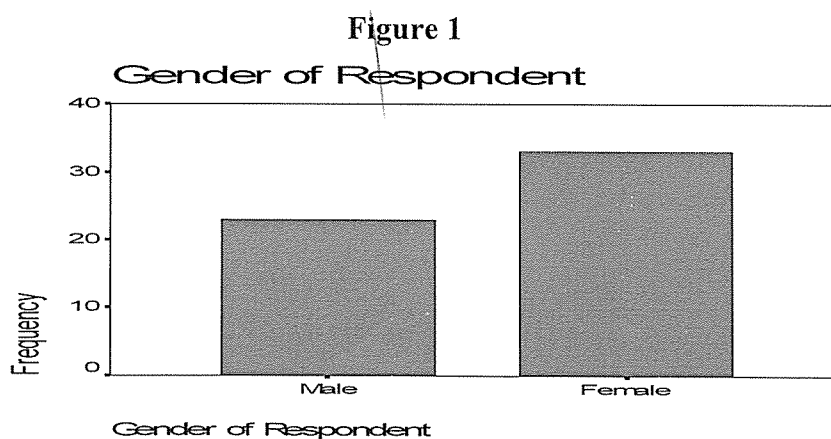
## CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS.

### 4.0 Introduction

This chapter presents and interprets the data that was collected from the field. The collected data is intended to answer the research questions and enable the researcher draw a reasonable conclusion on the study basing on the findings. This chapter sets out to give the findings of both the qualitative and quantitative data used in the study. This chapter further points out the implications of the results of the study.

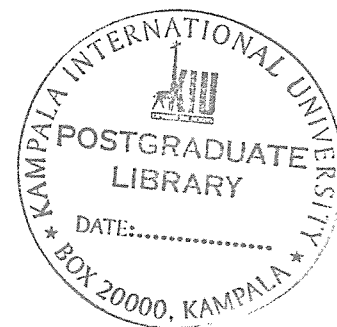
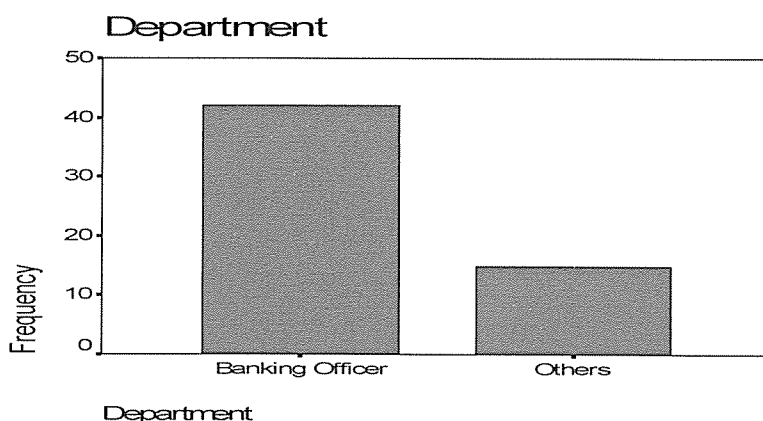
### 4.1 Profile of the Sample under Study:

The study provided 75 questionnaires to three different branches in Kampala. That is, Namirembe Road, Entebbe Road (Head Office) and Annex branches. The questionnaires were distributed at random in the branches. A total of 61 questionnaires were returned that represent 81.33% return rate. More characteristics about the sample appeared as shown in the tables below:-



While the majority of our respondents were females, the study was able to identify a considerable number of male respondents. This trend clearly indicates that the study wasn't not in any way biased on the basis of gender.

**Figure 2**



Majority of the respondents are banking officers working in various departments such as Retail banking, Human Resource and Loans. Other respondents to the study were managers, branch accountants and Information Technology Assistants. These percentages show that the study was able to collect a variety of ideas from different points.

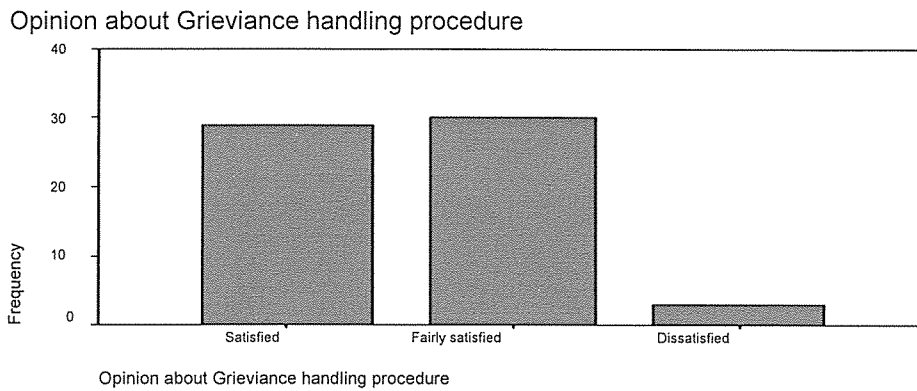
In a bid to develop a clear picture of the general environment in the bank, the study decided to seek the opinions of the staff on the following issues: -

**Table 3: General opinion about the job**

	Frequency	Percent
Satisfied	27	44.3
Fairly Satisfied	27	44.3
No Response	7	11.5
Total	61	100.0

From the returned questionnaires as shown in table 3, it can be noted that majority of employees are satisfied (88%) with their jobs. However, this is a general presentation whose indications can not be taken for their “face” value.

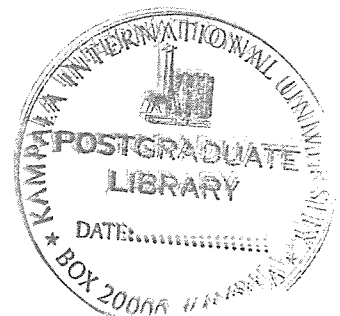
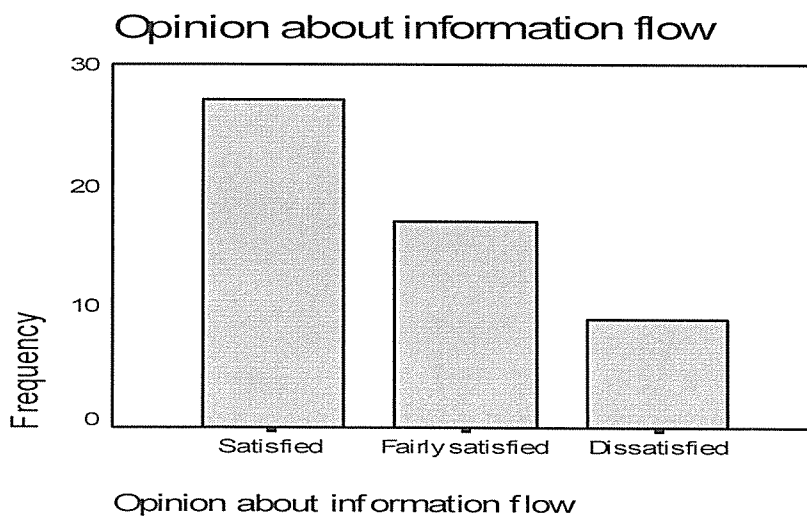
**Figure 4:**



The study used the grievance handling as a parameter for determining the employees' attitude towards sensitive issues at work. The response revealed that the majority of the employees are positive about the procedure. This shows that the bank has a mechanism that handles complaints that would have otherwise escalated into labour turn over. This is further supported by the fact that the majority of the respondents are satisfied by the flow of information and remuneration package within the bank as shown in tables 5 and 6 respectively.

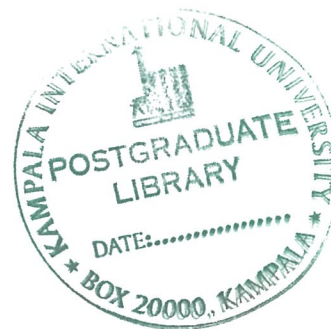
C

**Figure 5:**



**Table 6: Opinion about remuneration package offered**

	Frequency	Percent
Satisfied	26	42.6
Fairly satisfied	31	50.8
No Response	4	6.6
Total	61	100.0



Due to the fact that the responses provided in tables 4, 5 and 6 are mainly of a positive than negative nature, the study can conclude that the working environment in the bank is conducive. The state of the working environment is especially true for the majority of the respondents who were banking officers.

The initial results provided the study with a basis to which an in-depth analysis of other factors in the environment is required to understand the causes of labour turn over in the bank.

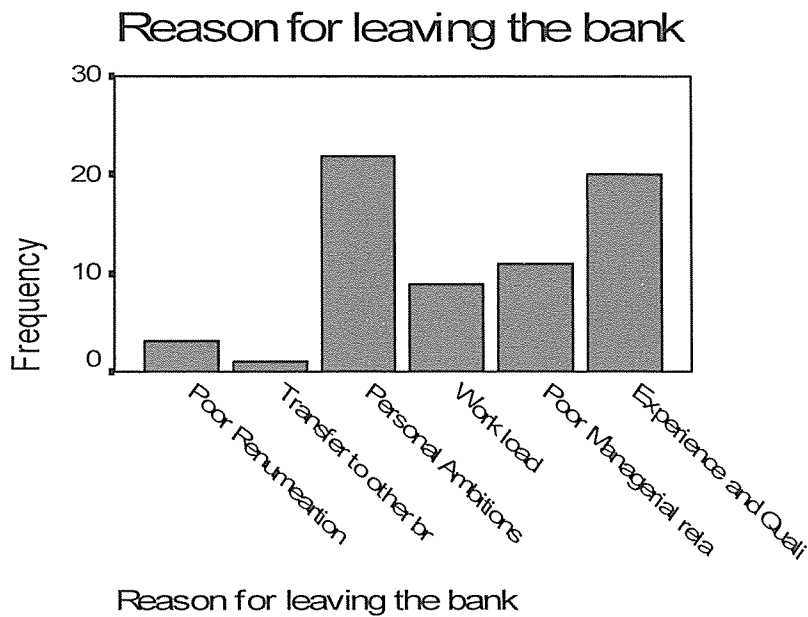
## **4.2 Causes of Labour Turn Over In The Bank:**

In a bid to understand the cause of the labour turn over in the bank, the study selected a number of parameters to use as shown below: -

### **4.2.1 Reasons for leaving the bank:**

The reasons provided by individuals leaving the bank can work as suitable point for understanding the internal operations of the organization. These reasons shall indicate the internal strengthens and weaknesses of the organization that may be exceptional to CERUDEB.

Figure 7:

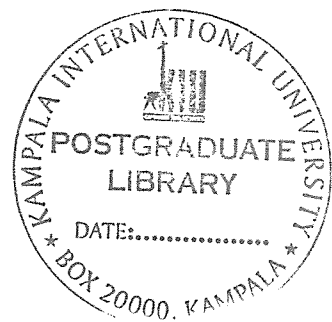


From our findings it is clear that the reasons are more related to the person than the bank. For example, the majority (62.7%) of the employees leave the bank due to personal ambitions; experience and qualifications attained.

Such reasons are too personal to which the bank has almost no control to stop. This response is very interesting when correlated to the fact that the majority of the respondents were banking officers at the middle level of management. It puts the question of whether the same response would have been got if the majority were top and lower levels of management.

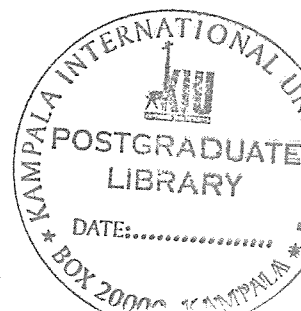
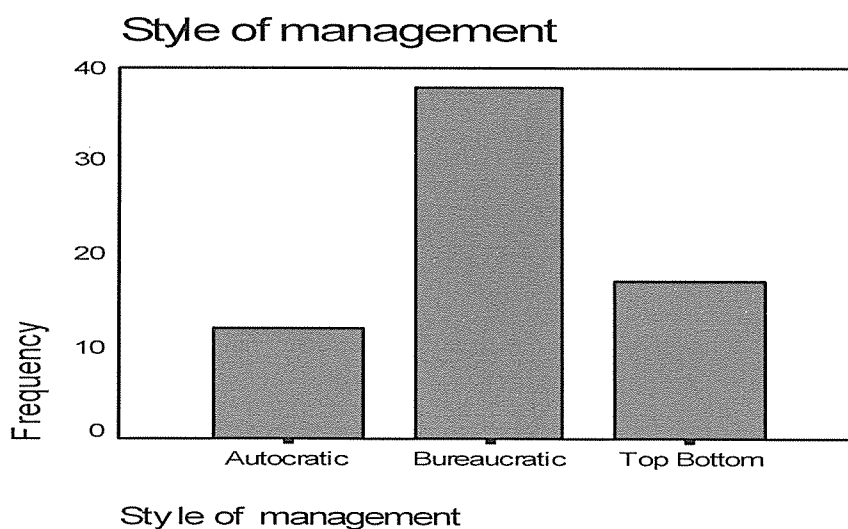
#### 4.2.2 The style of Management:

Another of the parameters utilized by this study to understand the causes of Labour Turn Over was the style of management. This parameter was highlighted by a number of scholars such as Taylor (2001), Lawrence (1997) and McGregor (1960) in his works of theory X and Y, as major cause of Labour Turn Over.



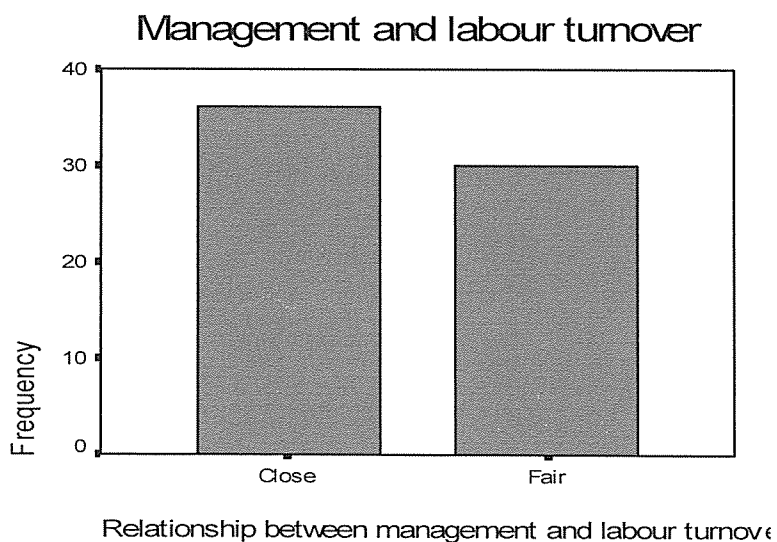
Like many of the other businesses in the emerging economies, the style of management in CERUDEB-Kampala City was found to contain high traits of autocracy and bureaucracy tendencies in it as shown in table 8 above. At the first glance, the responses would indicate that the bank is being managed in an unfriendly manner that would lead to high levels of Labour Turn over.

**Figure 8:**



However, these responses are not sufficient to be directly related to Labour Turn Over in the bank. So the study identified another parameter that correlated Labour Turn Over with style of management as shown in table 9 below.

**Figure 9:**



From the results in the above table, it can be clearly noted that labour turn over is closely related to the applied style of management. These results ought to be put in the context that the respondents had extreme answers, such as very close and not related, from which to pick but never selected them. The study can then conclude that as per this parameter, the style of management had an influence on the labour turn over.

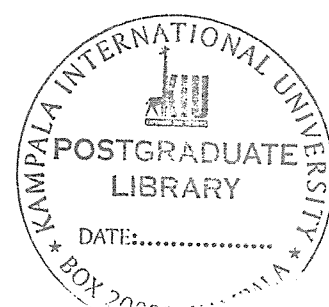
#### 4.2.3. Performance Standards:

Often, many organizations set standards for themselves and their employees. Upon these standards the success of the organization is measured. These standards tend to have an impact on the amount of work load to be performed and the environment in general. According to Cole (2002), certain organizations tend to get so obsessed with these standards which in turn create tense and very competitive working atmospheres. Cole (2002) further states that the effects of these atmospheres tend to be highlighted by the rate of Labour Turn Over in the older and soon retiring age groups. That is why the study chooses to use performance standards as a parameter for understanding the causes of Labour Turn Over in CERUDEB.

**Table 10: Performance standards**

	Frequency	Percent
Yes	54	88.5
No Response	7	11.5
Total	61	100.0

So as to eliminate the chances of getting biased and insubstantial results, study sought to find out whether the respondents were aware of any standards that guided their performance. A resounding yes of approximately 88% as shown in table 10 was got from the respondents. Such a result indicated that the respondents were fully aware of the area – performance standards, under discussion. Further more, the study decided to correlated performance standards with the topic under study- Labour Turn Over by incorporating duration of employment as shown in table 11 below.





**Table 11: Effects of performance standards and duration of employment**

	<b>Frequency</b>	<b>Percent</b>
Increased work load	17	27.9
Voluntary Departure	10	16.4
Improve on personal performance	34	55.7
Total	61	100.0

The table above shows the results after a correlation between the performance standards and duration of employment had been taken. These results indicated a positive impact on the respondents' performance. However, the same results show that there is a negative impact on the respondents that is increased work load.

Therefore, it is crucial that management takes relative measures as highlighted in the recommendations to curb the negative impact as this may have an adverse negative effect on the working conditions.

In a nutshell, the parameters show that there is not a single definite cause of labour turn over in the bank. However, a mixture of these parameters with an inappropriate working condition that are not represented in table 12 below can cause high labour turn over.

**Table 12: Working Conditions**

	<b>Frequency</b>	<b>Percent</b>
Good	17	27.9
Fair	25	41.0
Improving	19	31.1
Total	61	100.0

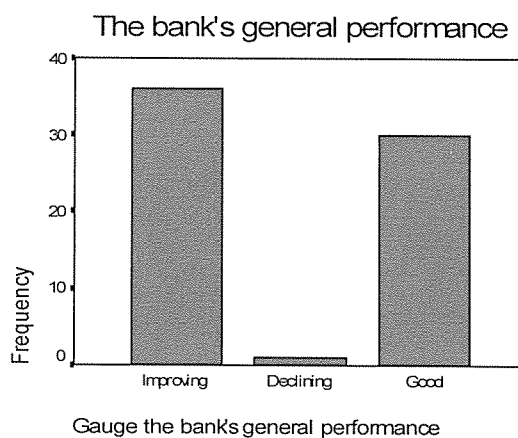
#### ***4.3. Effects/ Impact Of Labour Turn Over On The Bank Performance.***

Any effects of labour turn over in the bank will definitely have an adverse impact on the performance of the bank. Based on the fact that the study had been able to find out a considerable number of causes, it is deemed necessary by the study that similar or closely

related parameters are used for an understanding of the impact of labour turn over on the bank. This section of the study was guided by –“Does labour turn over have an impact on the performance of the Bank? ; What is the extent to which labour turn over affects the performance of the bank?”

The result illustrated in table 13 and the preceding graph indicate that the general performance was of a positive nature that is improving and good. It can then be concluded that the performance of the bank is still positive despite previous labour turn over records.

**Figure 13:**



This was a very broad response that could be interpreted in a variety of ways. Therefore, the study decided to support these findings by focusing on the relationship between Labour Turn Over and the bank's performance. The impact of labour turn over can be effectively determined if the current state of the bank's performance is known.

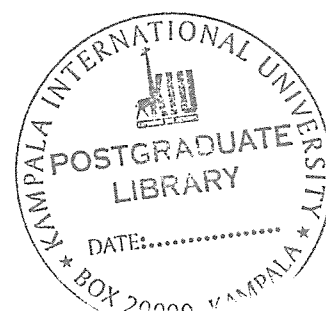
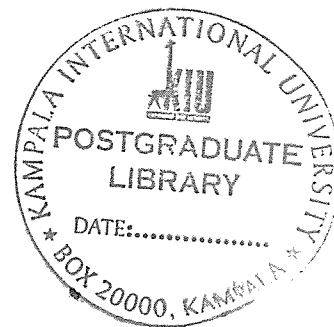
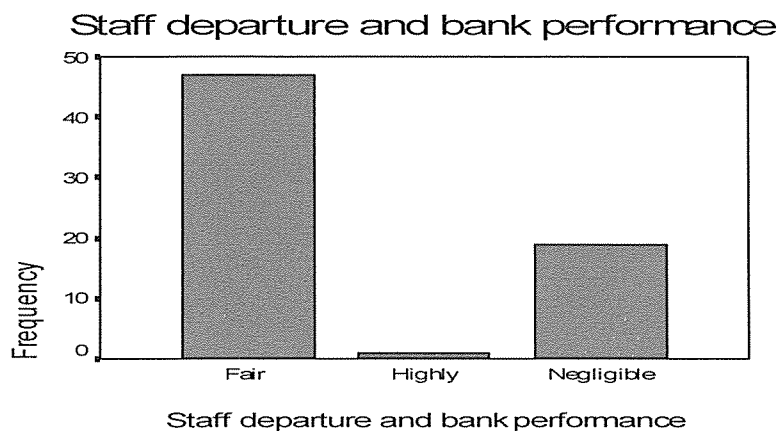


Figure 14:



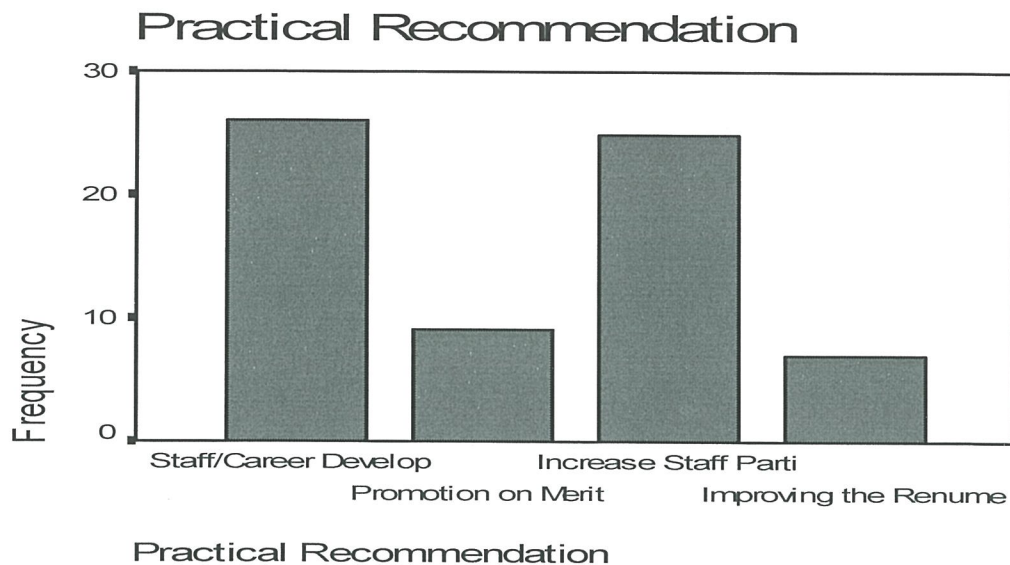
Since the performance of the bank is positive, the study found it crucial to correlate the departure of staff, which is labour turn over with the bank's performance. The results of this correlation indicated a fair correlation. Such a result can be deemed to indicate that the bank has either installed a responsive mechanism to labour turn over or has just ignored its effects.

0

#### **4.4 Practical Recommendation:**

As part of this study, the respondents were asked about what the management of the bank could do to reduce the rate of labour turn over. The outcome was of great concern to this study as it helped to identify the importance of focusing on the employee rather than their environment.

Figure 15:



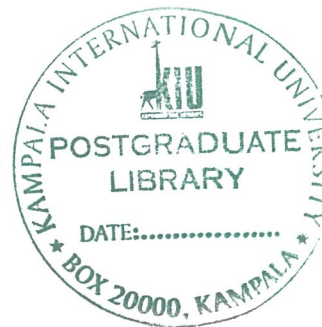
The study revealed that the majority (76 %) of the respondents were in favour of employee focused measures. These measures included staff/career development and increased staff participation in the decision making. This area of the study was further analyzed in the following chapter 5 that further gives recommendations according to the findings.

#### **4.5 Conclusion:**

The findings show that the there facts within the bank that cause Labour Turn Over. These facts are closely related to the person as an employee of the bank rather than what the bank does to employee. That is to say, what the bank does through its polices and practices has minimal impact to resulting Labour Turn Over. Similarly, the impact of the labour turn over has been negligible. The study can then conclude that the impact of labour turn over and its effects are present in the bank.



## CHAPTER FIVE: SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS



The objectives of the study as stated earlier were basically to examine the causes of labour turnover at centenary Rural Development Bank-in three branches based in Kampala City Namely: The main branch on Entebbe Road, its Annex on Entebbe Road and Namirembe Branches. Another objective was to examine whether there was a relationship between labour turnover and the management style and lastly to examine whether there was a relationship between labour turnover and performance of the Bank

### **5.0 FINDINGS**

#### **5.0.1 Major factors leading to staff turnover at CERUDEB-Kampala city**

*(Research question one revisited)*

The study was able to identify a number of factors that lead to labour turn over within the bank. These include poor remuneration, personal ambitions/motives, workload, poor managerial relationship; experience and qualification.

#### **5.0.2 What is the Relationship between management style and labour turnover at CERUDEB-Kampala City?**

*(Research Question two Revisited)*

There exist an influential relationship between the style of management and labour turn over at CERUDEB – Kampala area. Specifically stated, the style of management shall lead to labour turn over.

### 5.0.3 What is the relationship between labour turnover and performance of the bank?

*(Research question three revisited)*

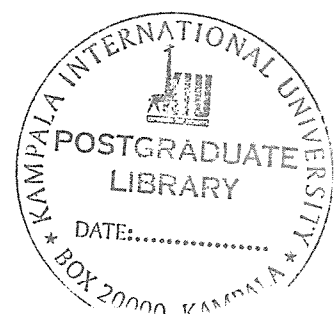
From the study's findings, it can be concluded that labour turn over and performance have a relationship that ranges from a negligible to a fair level. In other words, labour turn over influences the performance of the bank. However, the impact of labour turn over on performance is being dealt with by the bank's management.

## 5.1 Conclusions

The study set out to establish the major factors leading to staff turnover at the three Branches in Kampala City of CERUDEB .Namely: The Head office on Entebbe road, the Annex on Entebbe road and the Namirembe Branch. Basing on the research findings, it was established that staff leave because of mainly personal ambitions; this was mainly with the top management. Another issue that was raised through the interviews held, indicated that staff turnover was partly due to poor managerial relationship especially among the senior staff hence a high turn over rate in 2004. Where the problem statement originates. Other causes as per the study were; level of qualification and experience attained, search for better pay transfers and too much workload especially with teller operators

The study further aimed at establishing the relationship between management style and labour turnover. The study findings revealed a close relationship between the management style and staff turnover at the bank. The majority of respondents noted that the system was highly bureaucratic .however there is no significant evidence that this was solely responsible for turnover at the bank.

The study also set out to establish the relationship between turnover of staff and performance of the Bank. The findings further revealed a negligible relationship between



staff turnover and Bank performance. However, the study findings revealed that performance is affected when high profile staffs leaves Bank.



## **5.2 Recommendations**

In view of research findings, the following recommendations are drawn:

Staff turnover has an impact on both the employer and employee. It is therefore important that policies should be developed jointly to reverse the trend. The bank should strive to meet the employees' personal career and competence needs by providing training opportunities to staff members, recognize staffs that further their education by increasing their pay and provide other labour related incentives. Improve working conditions to harness employees especially with the Namirembe branch-provide air-conditioned rooms or set up more buildings that are spacious and can accommodate the growing population of clients.

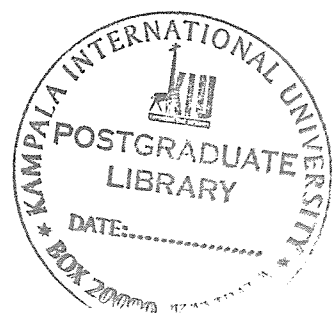
0

Additionally the Bank should change its managerial style to be more employee-employer friendly .management should allow staff to participate in decision making in matters that affect them as well as the Bank, staff should be looked at as stake holders if their commitment is to be worn. Management should allow staffs to join trade unions of their choice to agitate for their rights. As regards Bank Performance and staff turnover, the bank should ensure good human resource policies that will guide the staff on what's expected of them and direct their activities towards the bank's objectives.

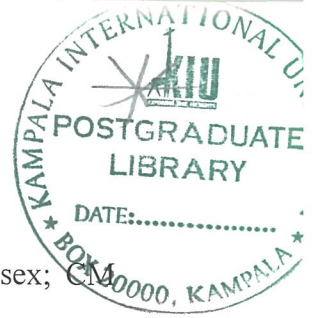
## **5.3 FURTHER RESEARCH**

Since the study concentrated in Kampala city further research should be done to test whether the underlying findings of this study apply to other branches spread all over the country. as well as whether the same transpires in other organizations.

The world is becoming a global village that calls for managing international workers. The new generation however does not want permanent jobs it is therefore recommended that new horizons of labour turnover research be conducted to test the impact/ effect and the new intervention on design and strategies of organizations.



## BIBLIOGRAPHY



- Alan Wilson (2004), *Marketing Research*, Pearson Education Ltd, Harlow Essex; 202JE
- Arie C. Glebbeek & Erik H. Bax, *Labour turnover and its effects on performance: An Empirical Test using Firm Data*
- Baron, James N and David M. Kreps (1999), *Strategic human resources: Frameworks for general Managers*. New York: Wiley
- Cappelli Peter (2000), *A Market-driven approach to retaining talent*, Harvard Business Review, 78 (1), 103-111.
- Centenary Rural Development Bank Annual Report 200
- Cuming M.W (1994), *The theory and practice of personnel management* 7<sup>th</sup> Ed.
- Currie, D (2001) *Managing Employee Well Being*, Chandos Publishing, London.
- David Campbell, George Stone house, Bill Houston (1999) *Business Strategy an Introduction*. New Castle Upon Tyne, UK.
- G.A Cole, 5th Ed. (2002) *Personnel and Human Resource Management*
- Gaudet, Fredrick J. (1960), *Labour Turnover: Calculation and Cost*. New York: American Management Association.
- George Bahlander et al (2001), *Managing Human resources* 12<sup>th</sup> Ed, South Western College publishing Thomson learning USA.
- Heneman S, D, F, (1996) *Personnel/Human Resource Management*, 4th Edition Universal Book Stall, New Delhi
- Ian Beardwell et al (2004), *Human Resource Management* 4<sup>th</sup> Ed, Pearson Education Harlow, (Essex)

- Lamony F, (2004) *The challenge of staff retention in the directorate of district health Services-Gulu*. Kampala: Unpublished masters' research.
- Laurie J. Mullins (1999), *Management and Organizational Behaviour*, 5<sup>th</sup> Edition Ltd. Essex, England
- Lawrence S. Kleiman (1997), *Human Resource management, tool for competitive Advantage*, West Publishing Company, Minneapolis, USA.
- Luis R. Go'mez-Meija et al (2004). *Managing Human Resource*, 4<sup>th</sup> Ed, Pearson Prentice Hall. New Jersey, USA.
- Magezi G, (1992), *Labour turnover and Labour policy in formal sector industries in Uganda*; An analysis of B.A.T Jinja Factory and Uganda Garments Industry Limited (UGIL). Unpublished Masters .Thesis, Uganda Management Institute, Kampala.
- Mamoria C, B., & Gankar S.V. (2001), *Personnel Management Text and Cases*, Himalaya Publishing House, India.
- March J. G. and Simon H. A. (1958). *Organizations*, Wiley, New York; As cited in Morrell K, J Loan-Clarke and A Wilkinson 2001: 1 Unweaving Leaving: *The Use of Models in the Management of Employees Turnover*: ISBN 1 85901 169 1
- McEvoy, Glem M&Wayne F.Cascio (1987), do good or poor performers leave? A meta-analysis of the relationship between performance and turnover, *Academy of Management Journal*, 30(4), 744-762
- Michael Armstrong (2001), *A hand book of human resource Management practice*, 8th Ed.
- P. Subba Rao (1996) *Essentials of Human Resource Management and industrial Relations*. Konark Publishers Put ltd.

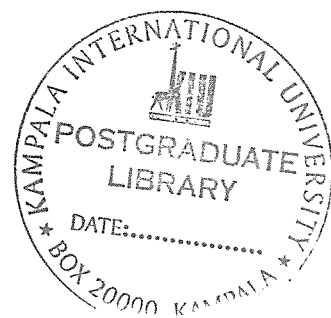


Steven Taylor (2001), *Employee Resourcing*, Chartered Institute of Personnel and Development (CIPD), London, UK.

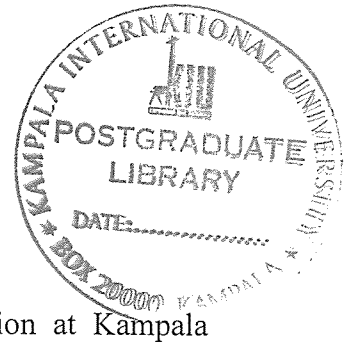
Tim Hannagan (1998), *Management concepts and practices*, 2<sup>nd</sup> Ed. Pitman Publishing, London.

Research findings by manpower research and statistics department (Singapore 2000) effects of excessive labour turnover available at URL: [www.gov.sg/mom/manpower/manrs5.htm](http://www.gov.sg/mom/manpower/manrs5.htm). (Accessed August 2006)

[www.Centenarybank.co.ug](http://www.Centenarybank.co.ug)



## Appendix i: QUESTIONNAIRE



Dear Respondent,

I am a student pursuing a Master's degree in Business Administration at Kampala International University, as part of the requirement for the completion of this program, am conducting a study with the theme :-

***“Impact of Labour turnover on Organizational Performance: a case study of Centenary Rural Development Bank (CERUDEB)”***

I kindly request you to fill this questionnaire as exhaustively as you can. All information collected will be treated with maximum confidentiality and shall strictly be used for academic purposes.

I will greatly appreciate your co-operation.

Busingye Susan

0772-480991; [Busingye100@yahoo.com](mailto:Busingye100@yahoo.com)

0

### A. PROFILE OF THE RESPONDENT

Names of Respondent (Optional).....

Sex ..... Department.....

Position held in the Organization.....

Level of Management (e.g. Top management, Middle management, etc).....

**Instruction: TICK OR MARK AS APPROPRIATE**

## B. EMPLOYEMENT CONDCTIONS.

Provide your opinion about: -

	Satisfied	Fairly Satisfied	Dissatisfied
1. Your job in general?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Benefits offered By the Bank?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Grievance handling Procedure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Satisfied	Fairly Satisfied	Dissatisfied
4. Information flow in the Bank?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Remuneration package offered by the Bank?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Provide some reasons given by your colleagues who have left?

a. Poor Remuneration	<input type="checkbox"/>	d. Work Load	<input type="checkbox"/>
b. Transfer to other branches	<input type="checkbox"/>	e. Poor managerial relationships	<input type="checkbox"/>
c. Personal Ambitions	<input type="checkbox"/>	f. Experience and qualification attained	<input type="checkbox"/>

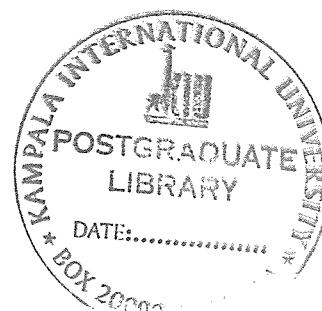
7. To what extent does the departure of the staff affect the performance of the Bank?

a. Fairly. ☐      b. Highly ☐      c. Negligible ☐

## C. CURRENT SITUATION: -

8. Which term best defines the working conditions in the bank?

a. Very Good	<input type="checkbox"/>	c. Fair	<input type="checkbox"/>	e. Declining	<input type="checkbox"/>
b. Good	<input type="checkbox"/>	d. Improving	<input type="checkbox"/>		



#### D. MANAGEMENT STYLES: -



9. Which of these terms describes the style of management used by the bank?

a. Autocratic ☐

c. Top Bottom ☐

b. Bureaucratic ☐

d. Open / Participatory ☐

10. What is the relationship between the style of management and labor turnover?

a. Very Close ☐

c. Fair ☐

b. Close ☐

d. Not related ☐

#### E. ORGANISATIONAL PERFORMANCE: -

11. As a staff member, do you have any performance standards that you follow when executing your duties?

a. Yes ☐

b. No ☐

c. Not aware ☐

12. How would the performance standards of the organisation affect the duration of employment?

a. Increased work load ☐

b. Voluntary departure ☐

c. Improve on personal performance ☐

13. Do you believe that the labour turn over rate has a relationship with the general performance of the bank?

a. Strongly Agree ☐

c. Fair ☐

e. Strongly Disagree ☐

b. Agree ☐

d. Disagree ☐

14. How would you gauge the general performance of the Bank?

a. Improving ☐

c. Good ☐

b. Declining ☐

d. Fair ☐

15. Which of the following would you offer as the main practical recommendation for reducing the labour turn over in the Bank?

a. Staff / Career development

☐

b. Promotion on merit

☐

c. Increased staff participation in  
Decision making

☐

d. Improved the remuneration

package

☐

e. others (specify)

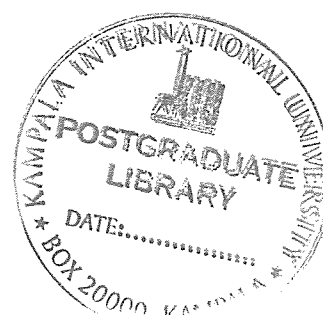
☐

16. Any additional Information: -.....

.....

.....

.....



## Appendix ii: INTERVIEW GUIDE



### Back ground Information on the Bank

#### Section A

1. Title.....
2. The number of Customers so far?.....
3. Number of Branches so far?.....
4. Number of employees?.....

#### Section B

1. When did you join this Bank?

.....  
.....  
.....  
.....  
.....

2. How did you join this Bank?

.....  
.....  
.....

3. Which methods do you use to acquire personnel for the Bank?

.....  
.....  
.....

4. Do you have any policies in place on staff training and development? What are they?

.....  
.....  
.....  
.....  
.....

5. What policies do you have on staff promotion?

.....  
.....  
.....

6. From time to time, employees have left this Bank, what do you think are the major causes of their departure

.....  
.....  
.....  
.....

7. How do you think labour turnover benefits the Bank?

.....  
.....  
.....

8 suggest ways of reducing labour turnover at the Bank?

.....  
.....  
.....  
.....  
.....

### Section C

0

9. What are the management Policies at the bank?

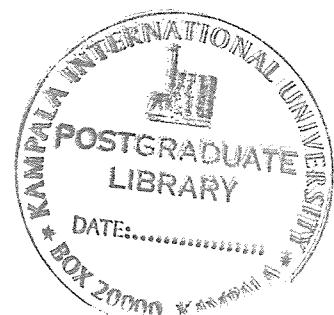
.....  
.....  
.....

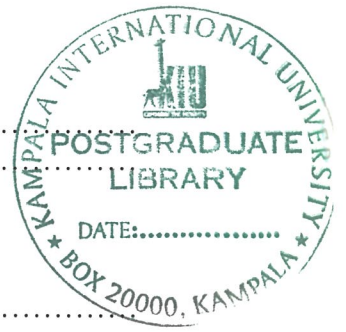
10. How does management design at the bank relate to turnover of its staff?

.....  
.....  
.....  
.....

11. Which style of management do you think is ideal for retention of staff?

.....  
.....





.....  
.....  
**Section D**

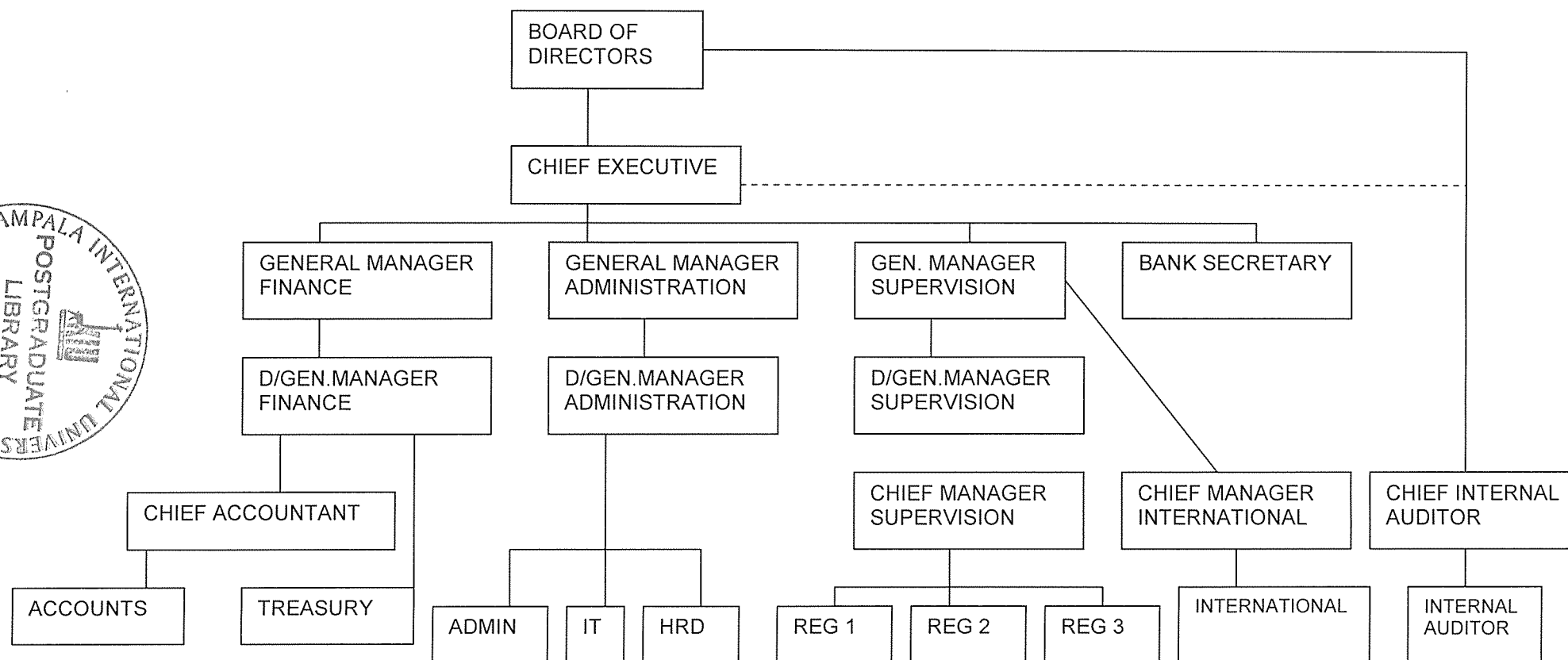
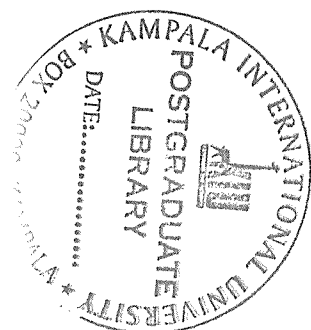
12. How do you think staff turnover at the Bank affect its Performance?

.....  
.....  
.....

13. Suggest ways of Improving Performance at the bank?

.....  
.....  
.....  
.....  
.....

## Appendix iii: CENTENARY RURAL DEVELOPMENT BANK LTD ORGANISATION STRUCTURE

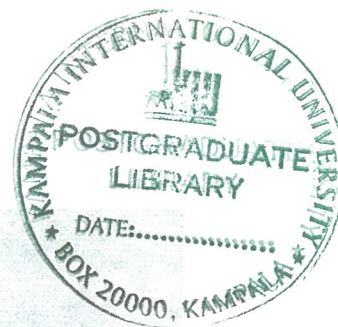


## Appendix IV: Introductory Letter



KAMPALA  
INTERNATIONAL UNIVERSITY

P.O.BOX 20000  
KAMPALA- UGANDA.  
TEL:-041-266813



### OFFICE OF THE ASSOCIATE SCHOOL OF POST-GRADUATE STUDIES

28<sup>th</sup> June, 2006

The Manager  
Centenary Rural Development Bank  
Namirembe Branch

**RE: INTRODUCTORY LETTER FOR MS BUSINGYE SUSAN MBA –PT-2004-003**

The above mentioned, is our student in the School of Post Graduate Studies. She is doing **Masters of Business Administration (MBA)**

Susan is currently doing her research on "**The Impact of Labour Turnover on Organisation Performance: A case of Centenary Rural Development Bank Kampala City**" as a final requirement for the award of Masters of Business Administration of Kampala International University.

Any assistance accorded to her will be highly appreciated.

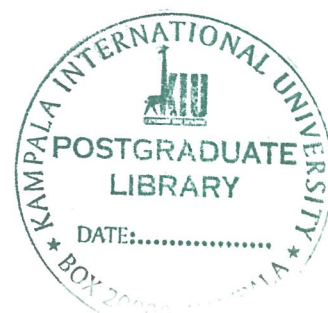
Thank you very much for your services.

  
**DR. ANGELITA PESCADERO-CANENE**  
Associate Director, SPGS

## Appendix V: Case Processing Summary

	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
Gender of Respondent	51	83.6%	10	16.4%	61	100.0%
Department	51	83.6%	10	16.4%	61	100.0%
General opinion about the job	54	88.5%	7	11.5%	61	100.0%
Opinion about the benefits offered	55	90.2%	6	9.8%	61	100.0%
Opinion about Grievance handling procedure	56	91.8%	5	8.2%	61	100.0%
Opinion about information flow	47	77.0%	14	23.0%	61	100.0%
Opinion about remuneration package offered	57	93.4%	4	6.6%	61	100.0%
Reason for leaving the bank	60	98.4%	1	1.6%	61	100.0%
Extent to which staff departure affects bank performance	61	100.0%	0	.0%	61	100.0%
Working Conditions	61	100.0%	0	.0%	61	100.0%
Style of management	61	100.0%	0	.0%	61	100.0%
Relationship between management and labour turnover	60	98.4%	1	1.6%	61	100.0%
Performance standards	54	88.5%	7	11.5%	61	100.0%
Effects of performance standards and duration of employment	61	100.0%	0	.0%	61	100.0%
Relationship Labour Turn Over and Bank Performance	61	100.0%	0	.0%	61	100.0%
Gauge the bank's general performance	61	100.0%	0	.0%	61	100.0%
Practical Recommendation	61	100.0%	0	.0%	61	100.0%

a Limited to first 100 cases.



## Appendix VI: Tables and Figures



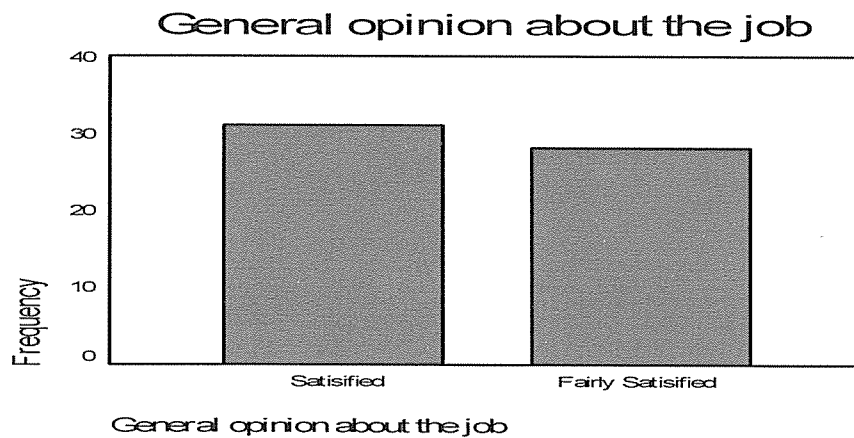
**Table 1: Gender of Respondent**

	Frequency	Percent
Male	22	36.1
Female	29	47.5
No Response	10	16.4
Total	61	100.0

**Table 2: Department**

	Frequency	Percent
Banking Officer	37	60.7
Others	14	23.0
No Response	10	16.4
Total	61	100.0

**Figure 3:**



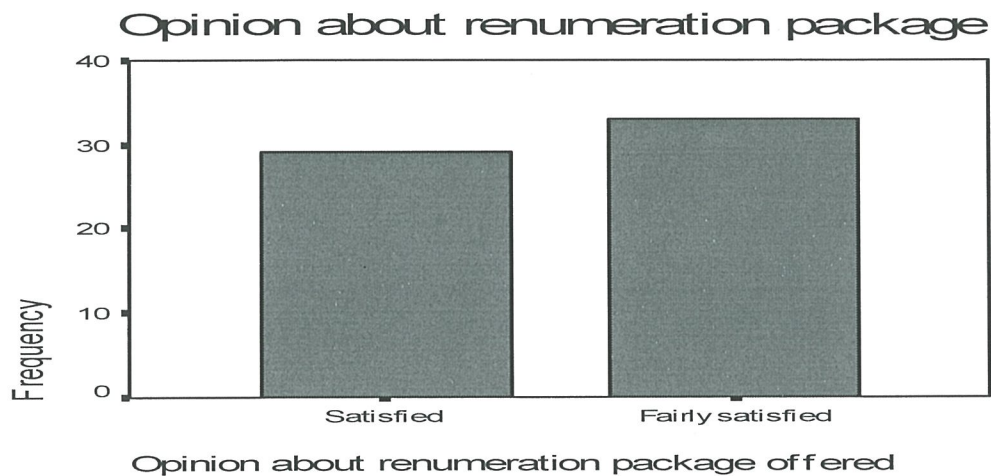
**Table 4: Opinion about Grievance handling procedure**

	Frequency	Percent
Satisfied	24	39.3
Fairly satisfied	29	47.5
Dissatisfied	3	4.9
No Response	5	8.2
Total	61	100.0

**Table 5: Opinion about information flow**

	Frequency	Percent
Satisfied	24	39.3
Fairly satisfied	16	26.2
Dissatisfied	7	11.5
No Response	14	23.0
Total	61	100.0

**Figure 6:**



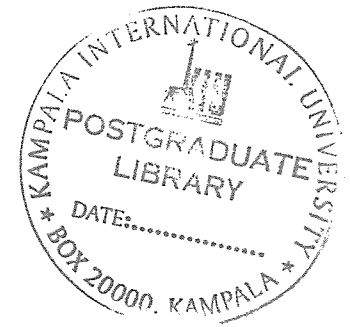
**Table 7: Reason for leaving the bank**

	Frequency	Percent
Poor Remuneration	3	4.9
Transfer to other branches	1	1.6
Personal Ambitions	19	31.1
Work load	8	13.1
Poor Managerial relationship	10	16.4
Experience and Qualifications attained	19	31.1
No Response	1	1.6
Total	61	100.0



**Table 8: Style of management**

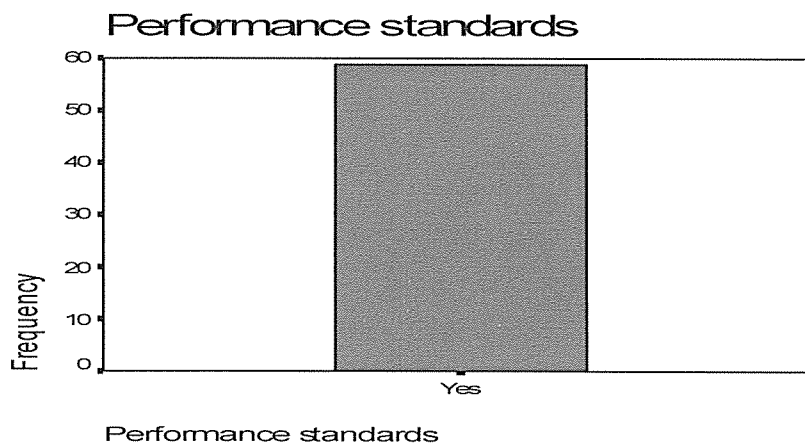
	Frequency	Percent
Autocratic	12	19.7
Bureaucratic	36	59.0
Top Bottom	13	21.3
Total	61	100.0



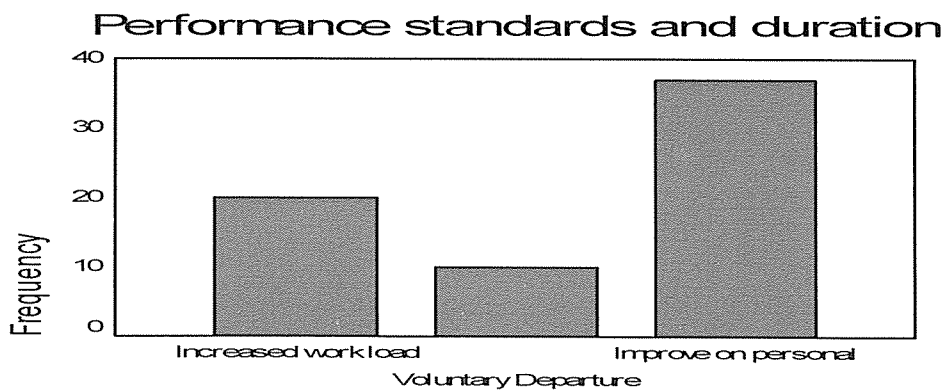
**Table 9: Relationship between management and labour turnover**

	Frequency	Percent
Close	32	52.5
Fair	28	45.9
Total	60	98.4
No Response	1	1.6
Total	61	100.0

**Figure 10:**

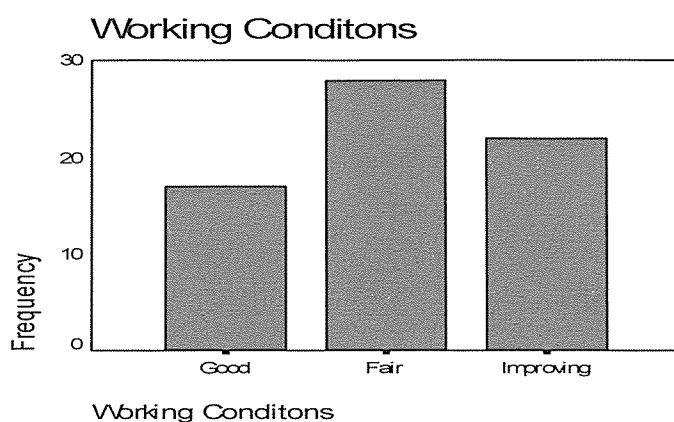


**Figure 11:**



Effects of performance standards and duration of

**Figure 12:**



**Table 13: The bank's general performance**

	Frequency	Percent
Improving	33	54.1
Declining	1	1.6
Good	27	44.3
Total	61	100.0

**Table 14: Extent to which staff departure affects bank performance**

	Frequency	Percent
Fair	43	70.5
Highly	1	1.6
Negligible	17	27.9
Total	61	100.0

**Table 15: Practical Recommendation**

	Frequency	Percent
Staff/Career Development	20	32.8
Promotion on Merit	9	14.8
Increase Staff Participation in Decision Making	25	41.0
Improving the Remuneration Package	7	11.5
Total	61	100.0

