

**LABOUR TURNOVER AND EMPLOYEE PERFORMANCE IN ORGANIZATIONS**

**A CASE STUDY OF STANBIC BANK KAGADI DISTRICT**

**BY**

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### DECLARATION

I **KARUBANGA ADOLF** declare that this work is entirely mine and solely a result of my own effort. It has never been presented to any other University for academia award.

Signature .....  .....

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### APPROVAL

I hereby certify that this research report by Karubanga Adolf has been prepared under my supervision and submitted in upon my approval.

SIGNATURE.....

DATE.....

(SUPERVISOR)

## **DEDICATION**

I dedicate this research report to my beloved parents especially my father Mr. Mwesige Deogratias brothers Tibakunirwa John, SabanKasaija and my sisters. Also I dedicate it to my course mates, friends like TusiimeTonny, Kiiza Denis and also my supervisor madam Bitiyali who offered me all the support I needed to compile this research may God bless you all (Amen).

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## ABSTRACT

This study intended to assess the impact of employee turnover on organization performance at Stanbic Bank Kagadi district. The study was conducted with the following objectives: To assess the impact of employee turnover on organization performance in Stanbic Bank. Investigate the causes of staff turnover in Stanbic Bank and finally recommend strategies that can be used to reduce the high level of employee turnover in Stanbic Bank

Data was collected through Questionnaires, Interviews and documentary Review. Questionnaires were open-ended questions, which allowed individuals to express their views concerning the impact of employee turnover on organization performance at Stanbic Bank. Interviews were conducted on the basis of predetermined interview guide. In addition, when an organization loses a critical employee, there were negative impacts on innovation, consistency in providing services to the organization and major delays in the delivery of services to customers may occur. The research design used in this study was quantitative approach, which allowed the researcher to use structured questionnaires while collecting data. The targeted population was employees across Kagadi branch which consisted of sample size of 100 employees. Simple random sampling was used in this research.

The study finding suggested that salary was among the primary causes of staff turnover in the Stanbic bank. The findings highlighted that high staff turnover increases work load to the present employees in the organization.

The study finding also showed that staff turnover causes ineffective service delivery to the customers and reflects poor image of the Stanbic Bank to its customers.

The recommendations highlighted that top management should pay a marketable salary to employees and the employees must be rewarded in case of any achievement as it is set in the goals and objectives.

Top management should also develop opportunities for career advancement among its workers through workshops so as to improve on the quality of the services rendered to customers.

Top management should involve employees when they are making decisions concerning financial issues. The study concludes with direction for future research.

## CHAPTER ONE

### INTRODUCTION

#### 1.0 Introduction

This chapter comprised of the background information, statement of the problem, research objectives, research questions, limitation and delimitation of the study, significance and scope of the study.

#### 1.1 Background of the Study

Over the last two decades of awareness of managerial issues, the issue of labor turnover still exists in most of the organizations throughout the world. Even in the highly developed industrial nations, the rate of labor turnover is still very high. Moreover, looking into the gender perspective, Women pay may be less than that of men, requiring parallel education, training, skills, and responsibility. The level of performance or the ability of work done by the staff was only be achieved if the employees are satisfied with the internal environment of an organization. Labor turnover in organizations is one of the main issues that extensively affect the overall performance of an organization. It is often suggested that organizations should adopt the clear Standard Operation Procedures (SOP's) that decrease the gap among the top management and the middle management in order to identify and resolve the issue of labor turnover in the organization

Labor turnover in organizations has received substantial attention from both academics and managers. Much of this attention has been focused on understanding its causes. Implicit in this approach is the assumption that turnover is driven by certain identifiable characteristics of workers, tasks, firms, and markets, and that, by developing policies to address these characteristics, managers might reduce the occurrence of turnover in their respective organizations. As noted by several observers, however, the consequences of turnover have received significantly less attention from researchers (Staw 1980, Mobley 1982, Glebbeek and Bax 2004). This lack of academic attention is particularly surprising given that industry studies have estimated the cost of turning over one employee earning \$8 per hour at \$3,500 to \$25,000 (Zeynep, 2008).

According to Prefer and Sutton (2009) managerial concern on labor turnover has suddenly become heightened. This concern is further excercabated as a result of the growing cost of replacing employees, or other general costs typically associated with employees like recruitment and training (Collins and Smith, 2006). Some of the specific concerns of managers and other concerned stakeholders are the negative consequences of high labor turnovers which are often reflected in

product and service quality, consistency and stability of services exchanged for money with clients and customers in general (Trevor and Nyberg, 2008). Other consequences of unchecked growing rate of labor turnover could also be an increase in the client's level of dissatisfaction with products and services being offered by such organizations (Lin and Chang, 2005). Other related costs that emanate from an increase in the rate of labor turnover are described as the costs of voluntary turnover by Morrell et al (2004).

Moreover, Morell et al (2004) identifies direct and indirect costs of voluntary turnover as replacement, recruitment and selection, temporary staff, management time, morale, pressure on remaining staffs, costs of learning, product or service quality, organizational memory, and the loss of social capital (Dess and Shaw, 2001). Anders and Bard (2010) proposed the developmental processes that intrinsically motivate employees as a potential solution to the unusual high turnover rates recorded globally, while Zimmerman and Darnold (2009) relate job performance with labor turnover rate. Zimmerman and Darnold (2009) are particularly of the opinion that employees who leave their jobs might have done so in either an environment so poor to induce a high level of job performance, or they might have quit their job when there is a consistent poor level of jobs performance over a period of time. Indeed, Zimmerman and Darnold (2009) are strongly of the opinion that an assessment of labor turnover that precludes a study of job performance might be referred as to a huge oversight on the part of the management of such an organization

Within this context the study of labor turnover as well as its attendant problems, costs and consequences have been comprehensively studied (Shaw et al, 1998), and the recent empirical and meta-analysis study of the phenomenon observed the influences in 800 different cases (Iverson, 1999). But within the scope discussed above, the impact of labor turnover on the rate of knowledge diffusion in organization has received very little research focus (Madsen et al, 2002). Madsen and McKelvey (1996) argued that management research shifted the balance of firm's variation and its retention activities. Retention here refers to the ability of the firm to drastically reduce the turnover rates of its knowledge workers as they are largely responsible for the distribution of tacit knowledge and skills, or human capital across space and time (Almeida and Kogut, 1999 cited in Madsen et al, 2002).

## **1.2 Statement of the Problem**

The problem of labor turnover has been an enigma for decades. Almost universally many executives have been ostensibly complacent regarding the issue of labor turnover. Few have made attempts to understand what drives employees out of their organizations, and far fewer have invested concert

efforts to improve it. This seems nonsensical since even medium sized companies have lost large amount of money as a result of low employee retention. The fact was, problem of labor turnover was not an enigma. Its causes were and have been determined, and effective strategies for reducing turnover have been implemented (Dess and Shaw, 2001).

Labor turnover remains one of the most widely researched topics in organizational analysis. But despite the significant research progress, there still remained a great deal of confusion as to what might actually cause employees to leave or remain in their organization. Also lack of convergence among the models proposed in previous research has added to this confusion. Fundamentally, these models were aimed at enlightening our understanding and predictions of employee movements within and out of the organizations. However, the significant divergence among these models seems to militate against uniformity and hence generalizations. Among those factors were external factors mainly the labor markets and institutional factors such as physical working conditions, pay, job skills, and supervision and so on. Others were employee personal characteristics such as intelligence and aptitude, personal history, sex, interests, age, length of service and many others. There were also factors related to employee's reaction to job, including aspects as job satisfaction, job involvement and job expectations

From the above arguments, this study intended to investigate the impact of labor turnover, causes of the high rate of labor turnover and proposed strategies to reduce the high rate of labor turnover or recommendations for improving organizational performance.

### **1.3 General Research Objectives**

The main objective of the study was to assess the impact of labor turnover on performance of employees at Stanbic Bank Kagadi district kagadi branch.

#### **1.3.1 Specific Objectives**

The study was guided by the following specific objectives:-

- i. To assess the level of labor turnover and its practices at Stanbic Bank
- ii. To find out the impact of labor turnover on bank performance
- iii. To assess the determinant factors for employee turnover in stanbic bank.

### **1.4 Research Questions**

The study was guided by the following research questions:-

- i. What is the level of labor turnover and its practices in Stanbic Banks?
- ii. What is the impact of labor turnover on bank performance?
- iii. What are the determinant factors for employees' turnover in Stanbic Bank?

## **1.6 Scope of the Study**

### **1.6.1 Content Scope**

This study was based in Stanbic Bank Uganda Limited in mid-western region. All employees working in Stanbic Bank kagadi branch were included in this study. The findings of this study were useful in addressing problems associated with employees' turnover in Stanbic Bank Uganda Limited

### **1.6.2 Time scope**

The study took a period of 2 months.

### **1.6.3 Geographical scope**

The study was carried out in kagadi district. The district is bordered by Ntoroko district to the west, Hoima district to the north, kibaale district to the east, and kyenjojo district to the south. The town of kagadi, where the district headquarters are located, is approximately 250 kilometers (155mi) north West of Kampala, the capital city of Uganda. This is about 92 kilometers (57mi) south-west of Hoima, the nearest large city.

## **1.7 Significance of the Study**

The researcher contends that the findings of this study made concrete recommendations to the Stanbic Bank Uganda Limited to reduce employees' turnover. It is hoped that this study also benefits other financial institutions in Uganda and made recommendations for improving organizational performance.

### 1.8 Limitation and Delimitation of the Study

The study was delimited to focusing on the assessment of the impact of employees' turnover on organization performance at Stanbic Bank Uganda Limited.

Time was one of the constraints faced by the researcher. Respondents were not available all the time as it was planned due to tight schedule of their work. The researcher therefore ought to reschedule meeting time with respondents in order to fulfill the demand. Moreover, the researcher resolved the problem of time constraints by developing an action-plan and abides to it in order to manage time effectively.

In addition, the researcher restricted himself to collect data that are useful and were processed later by developing effective data collection tools and come up with the dissertation.

### 1.9 Definition of Key Terms

**Labor turnover;** Labor turnover is often referred to, as the number of permanent employees leaving the company within the reported period versus the actual active permanent employees on the last day of the previous reported period.

**Private Sector Organization;** the private sector encompasses all for-profit businesses that are not owned or operated by the government. Companies and corporations that are government run are part of what is known as the public sector, while charities and other nonprofit organizations are part of the voluntary sector.

**Organization;** An organization is an entity comprising multiple people such as an institution or an association that has a collective goal and is linked to an external environment.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter described in detail literature review on labor turnover and its impact on organization performance. This chapter was also present both theoretical and empirical literature that aims at developing an understanding of the labor turnover and its impact on organization performance.

#### 2.1 Theoretical Review

The study employed three theories and these include Job Embedness. Theory, motivation Theory and Met Expectation Theory

##### **Met Expectation Theory**

Premack and Davis (1992) stated that the concept of met expectations as the discrepancy between what a person encounters on the job in the way of positive or negative experiences and what he expected to encounter. Employees expectations may include; fair remunerations, advancement, and good relationship with colleagues and supervisors, suitable working environment, and appropriate work assignment. The essential thought of this theory is that when an employer fails to full fill an employee's expectations, it was lead to employee turnover

##### **Motivation Theory**

Motivation is an important element in understanding, studying and analyzing human behavior. It helped the executive or a manager to identify the motives which influence the behavior of employee at work to attain organizational objectives. Motivation is a personal and internal feeling. The feeling arises from needs. Human needs are unlimited. Fulfillment of one set of needs give rise to the other needs. Therefore, motivation is a continuous process.

Motivation can be defined as the processes that account for an individual's intensity, direction and persistence of efforts toward attaining a goal .In most cases motivation stems from a need which must be fulfilled, and this in turn leads to a specific behavior. Fulfillment of needs results in some type of reward, which can be either intrinsic or extrinsic. The former are derived from within the individual, for example. Taking pride and feeling good about a job well-done, whereas the latter pertain to rewards given by another person



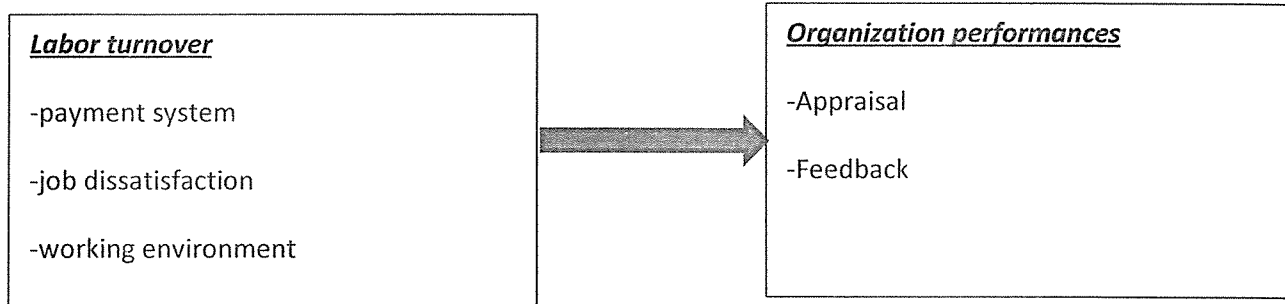
## Job Embedness Theory

As said by Ramesh (2007), job embedness described the factors that keep an individual from leaving the organization, in spite of experiencing situations that might lead to thoughts of leaving. Job embedness can be work related (positive relationships with supervisor and co-workers, good health benefits) or non-work related (spouse works in the same area, parents live in the same community). These work and non-work domains can be further divided into three types of attachment that is links (how many people is the individual connected with), fit (does the individual feel well matched with their work and non-work environment), and sacrifice (what does the individual have to give up in order to leave

## 2.2 conceptual framework

Independent variable

dependent variable



## 2.3 conceptual Review

### 2.3.1 Causes of labor turnover

The following discussion highlights some various causes of staff turnover as described by various authors.

#### Payment systems

The main objective of a compensation system is to attract and retain high quality staff. In order to be able to retain staff, the rewards that employees receive for their compensation must be satisfactory. Grobler, Warnich, Carrell, Elbert and Hartfield (2002) state that compensation refers to all forms of financial returns and tangible benefits those employees receive as part of their remuneration package. Robbins (2003) agrees that the classical objectives of any compensation system are to attract, retain and motivate employees. Poor remuneration is one of the reasons of staff turnover. If employees are not satisfied with what they are paid, they normally leave to seek greener pastures. Moreover, the working conditions, motivation, recognition and an opportunity to grow must also be feasible. An employee may still leave even if another job offers a lower salary as long as he or she enjoys job

satisfaction. Although financial incentives were encourage employees to stay over the short term, over the long term they need opportunities for growth (Tyani, 2001).

### **Job Dissatisfaction**

Job dissatisfaction is one of major causes of absenteeism; Robbins and Decenzo (2001) state that a person with high job satisfaction holds positive attitudes towards the job. It is the people with negative attitudes that absent themselves. In a study conducted in a Military Health Care Facility by Mullins (2005), it was found that there was a positive relationship between job dissatisfaction, labor turnover and levels of absenteeism.

### **Training and Development of Employees**

According to Ichniowski (2004) another tool for staff retention is staff training. Training may help staff to become more competent and to enjoy their work even better. They may gain confidence in their work which in turn may boost their morale. Reducing staff turnover was benefit business and save money (Mullins, 2005). Moreover, replacing staff is costly and valuable skills are lost. By providing staff with training and development they are more likely to be keen to take on greater responsibilities more suited to promotion or career progression.

Staff may become confident and motivated and they may not rely too much on supervision. The costs associated with staff turnover are simply huge; taking into account the costs of recruitment, training and absence combined with average salaries and attrition rates (Tyani, 2001).

Career development requires formal action by an organization to ensure that employees with appropriate qualifications and experience are available when the organization requires their services. According to Nel, et al. (2004), the reasons for career development in organizations are the following: The quality of employee's work life is improved when he/she has the opportunity to progress in his/her career. Employees are able to learn new skills with the result that there is always a demand for them. Career development of employees decreases an organization's Labor turnover rate. The personal job satisfaction of the employees is enhanced when their abilities have been developed and when they are placed in positions that suit their ambitions and abilities.

### **Job Satisfaction**

Derek et al. (2007) suggested that job satisfaction and affective commitment as the basic variables with turnover intentions. He further argues that no support was found in the results for continuance dedication as a variable with turnover intentions. The results also concluded that significant positive

correlations were found for the distal variables workload, work stress, employee salary, job satisfaction, and work to family conflict. Magnus et al. (2001) resulted that the job insecurity is interrelated primarily to exit and devotion reactions, but not to voice. In terms of exit, a striking pattern in our results concerns the connection obtained between job insecurity and organizational turnover intention. Although the magnitudes of effect sizes differed across countries, there was a positive relation between job insecurity and the propensity to exit from the organization.

### **2.3.2 Performance Appraisal and Feedback**

Performance Appraisal is the method by which the performance of an employee is measured. Employees need to be appraised in order to rate their performance and improve competence. Nel, Van Dyk, Haasbroek, Schulltz, Sono and Werner (2004) argue that successful organizations are characterized by performance inclined innovative and creative employees. They state further that this is a challenge to Human Resource Management to retain such committed employees as well as less successful employees and to develop them further to the advantage of the organization and its stakeholders. Mullins (2005) states that people must be given recognition and credit where it is due. According to Cohen (2000), managers are often unresponsive to good performance, but they are quick to criticize on the few occasions when performance falls below expectations. Robbins (2003) adds that positive feedback on good performance is a strong motivator and staff members are more likely to accept and respond to constructive criticism.

### **2.4 The Impact of Labor turnover on Organization Performance**

According to Page (2001) the escalation in the rate of labor turnover is a major concern for businesses and is clearly impacting on organizational performance. Clients begin to doubt the management of such an organization and unsure whether they should continue to do business with an organization with higher staff turnover. Mullins (2005) maintains that the costs of recruiting and engaging new members of staff are considerable. He adds that this affects the direct costs like advertising, agency fees, paper work and interview time. Robbins and Decenzo (2001) state that there are many hidden or indirect costs, like the expenses incurred in training and supervising new entrants, as well as those they are replacing and overtime that may have to be paid during staff shortages. Other costs may include increased wastage and losses while new staff settles in.

Moreover, customer irritation and low staffing morale leads to high staff turnover (Cohen, 2000). The impact of staff turnover results in an extra work load for the remaining staff member's performance and on organizational effectiveness; Mathis and Jackson (2007) state that employees have to work

extra hours to compensate for the work of those that have resigned. Russell and Bvuma (2001) state that cost is not only financial but must also be measured in terms of the damage to staff morale and deficits in meeting customer demand. The increased workload leads to low morale and high levels of stress which in turn leads to absenteeism amongst employees.

## **2.5 Empirical Literature Review**

A study done by Koh and Goh's (1995) in Singapore on "The effects of various types of job satisfaction on turnover intention", classified satisfaction into eight categories namely: supervision, company identity, kind of work, amount of work, physical working conditions, co-workers, financial reward, and career future. Their findings based on the job satisfaction and organization commitment.

A research on "Major factors behind voluntary graduate labor turnover in the National Bank of Commerce" by Gwarasa (1992) concluded that the problem of misallocation of graduates in the National Bank of Commerce prevails at a significant magnitude. The author pinpointed in his conclusion that, staffs were not satisfied with working conditions of the bank.

Research done by Joe Gideon on Labor Turnover in Uganda Prisons Service; the sample size were 100 respondents and it was a case design research. His findings showed that inadequate salary and low income of graduates in the Uganda Prisons Service prevails a significant magnitude. He also pinpointed out the existing prison scheme of services and salary in relation to ranks and not level of education, does not suit the labor market competition for graduates. He recommended further research on factors behind voluntary labor turnover for non-graduates for Uganda Prisons Services, An assessment of the impact of labor turnover in the Uganda economy, Graduates mobility within the labor market and reasons for this mobility.

Mboya Deogratus (2009) research on investigation of the impact of labor turnover in Public organizations, in his case study research design, sampled 250 respondents in Ilala Municipal. He concluded that differences in payment of salaries and provision of fringe benefits forced those who are lowly paid to seek for greener pastures in other organizations, also lack of working facilities and equipment leads to turnover, for example, lack of teaching and learning facilities in school forced teachers to seek for alternative jobs.

He recommended that work environment in all municipals sections should be improved and also improved management styles in all sections and training on better management practice should be done to management staff.

Research done by Milanzi (2008) on Assessment of the causes and effects of labor turnover on banking industry, the case study design sampled 82 respondents to represent a population of Uganda Investment Bank staff, she found out that the turnover was mainly caused by low remuneration packages, unequal treatment among TIB employees and lack of communication between the management and staff of other department.

She recommends that promotion and salary increments should be clear and open to every employee. Employees should be encouraged to read and understand human resources policy. Also all members of staff need to have information about organization production, its customers, its performance compared to the competitors, the strategy to win the market and their benefits

The researchers have tried to find out the reasons for labor turnover in which their conclusion based on the job satisfaction. However, they did not indicate the effects of labor turnover. For that case, this study tried to embark intensively on investigating the effects of labor turnover in financial institutions.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 Introduction

This chapter discussed the methodology and procedures that were used in this study. It also explains the research design, methods of data collection, analysis and presentation.

#### 3.1 Research Design

Research design shows the detailed plan of how the research work was conducted. For the purpose of this study, case study design was used. This research design was found to be useful since the area of study was small and this provided adequate and relevant information to the research problem. A case study design was simple and inexpensive as compared to other research designs.

#### 3.2 Selection of the Study Area

This research study was conducted in Stanbic Bank Uganda Limited to assess the impact of Labor turnover on organization performance in Kagadi district. The head office of the bank is located at Clement Hill, Barclay's house building in Kagadi district. The rationale for choosing stanbic bank Uganda as a case study is that: the bank has been facing a serious problem of Labor turnover since 2007 to date in both managerial and clerical positions.

#### 3.3 Target Population

The targeted groups for this study was stanbic bank Uganda Limited employees in Kagadi. However given both time and resources constraints, deliberate sampling techniques were used to obtain the work, thus the targeted population of 300 employees but the sample compromised a total of 100 respondents for this study of which the number is as follows: executive directors, (5), Human resources (10), Finance and Accounts (10), Procurement and Supplies( 10), Sales Department (20), Trade and Insurance ( 25), Learning and Development( 10), and Credit & Risk (10).

#### 3.4 Sample Size

Sample size depended largely on the degree to which the sample approximates qualities and characteristic of the overall population, including the degree of precision required. In addition, sample size depends on population variability and sampling methods together with analysis to be applied and operational feasibility.

A representative sample helps to generalize results. It was chosen at random large enough to satisfy the needs of the investigation undertaken and unbiased. Some studies considered a sample size larger than 30 and less than 500 is appropriate of any research study. This study used 100 respondents from stanbic bank Uganda Limited as shown below;

<b>TABLE 3.1:</b>	<b>SAMPLE DISTRIBUTION</b>	
<b>Respondents</b>	<b>Population</b>	<b>Sample</b>
Executive Director	5	5
Human resource	50	10
Finance & accounts	25	10
Procurement & supplies	15	10
Sales department	100	20
Trade and insurance	30	25
Learning & development	50	10
Credit & Risk	20	10
<b>TOTAL</b>	<b>300</b>	<b>100</b>

*Source: Researcher’s Work, 2018*

### 3.4.1 Sampling Procedures/Techniques

In order to reach the desired number of the respondents, both simple random sampling and purposive sampling techniques were used. The benefit of this approach is customizing the benefits of both techniques while reducing the chance of biasness and improving the quality of data to be collected.

### 3.4.2 Simple Random Sampling

Simple random sampling was used so as to enable the researcher to choose the respondents basing on the fact that they have desirable characteristics and variable related to the issue being studied (Kothari,

2002). So, by using Simple random sampling the researcher was able to get respondents from Banking Officials. This assures the quality of information to be collected

### **3.5 Data Collection Techniques**

This study involved a number of techniques of data collection in order to achieve both primary and secondary data. These techniques include interview and questionnaires through personal (face to face) interviews, or self-administered questionnaires.

#### **3.5.1 Interview**

This is a method in which the subject or unit of study is interviewed. In this method probing questions were asked and conversation between the researcher and respondents were done. Therefore, this method allows face-to face conversation and therefore it is used in order to control ambiguities between interviewer (researcher) and interviewee. The Interview was conducted between the interviewer and with some of the top employees like the executive directors, human resource managers and other departments.

#### **3.5.2 Questionnaire**

This study adopted self-administered questionnaires, whereby lists of questions were given to a number of persons for them to answer and give their opinions accordingly. Questionnaires secure standardized results that are tabulated and treated statistically

The questionnaire was pre-tested for accuracy and completeness. The pre- test of the questionnaire was intended to enable the researcher to improve the questions as their accuracy is essential in collecting good quality information.

### **3.6 Types of Data**

#### **(a.) Secondary Data**

Secondary data was gathered through documentary sources like, journals, books, articles, official bank's reports, various government reports published and unpublished, online source and bank's magazines.

#### **(b.) Primary Data**

The reasons for using this method were to get original information from the field which is very useful in addressing the problem under this study. This is the best way of knowing how the situation was in the field, and unlike the published information, this source gave valid information which was



specifically collected for purpose of this study. Primary data was collected through questionnaires and interviews.

### **3.7 Documentation Method**

Documentation method was used by gathering data from secondary source. The documentary sources of data for research purposes include published books, manuscripts, journals, research reports, newspapers and other unpublished literary works (Ndunguru, 2007). The researcher used this method to collect already gathered information from books, reports, and written materials from respective organizations.

### **3.8 Data Presentation**

Data collection from interview, questionnaire, and documentary sources were presented using various statistical tools such as tables, charts, graphs among others. The reason for using these approaches was to simplify the interpretation and understanding of the findings which is an important quality of any good research work.

### **3.9 Limitation of the study**

Failure to answer the questions since it is considered as time consuming for the respondents.

Lack of cooperation from respondents, especially those who consider the information confidential and think the survey is for the purposes of revenue collection. The researcher therefore assured the respondents of confidentiality of their information that is solely for the academic purpose for which it used.

Insufficient financial resources in terms of transport and stationery costs; however the researcher was endeavoring to use personal resources to ensure the research is completed.

## **CHAPTER FOUR**

### **ANALYSIS OF THE DATA AND DISCUSSIONS OF THE FINDINGS**

#### **4.0 Introduction**

In this chapter the analysis and discussion of the findings were presented. The analysis and discussion in this chapter are based on the responses from research questionnaires, interview questions and secondary data information. The research intended to assess the impact of employee turnover on organization performance at Stanbic Bank Uganda Limited in Kagadi district kagadi branch. Main areas of concern in the research were to assess the impact of employee turnover on organization performance in Stanbic Bank Uganda Limited; investigate the causes of staff turnover in Stanbic Bank Uganda Limited and finally recommend strategies that can be used to reduce the high level of employee Turnover in Stanbic Bank Uganda Limited and this is according to the research objectives as stated in the first chapter.

#### **4.1 Data Reliability**

To ensure reliability, this study employed interviews and documentation. Also a pre-test of questionnaire was carried out to guarantee a common understanding of questions among respondents.

#### **4.2 Data validity**

To ensure validity of measures, the study employed interviews and documentation. Also data was gathered from higher rank, middle rank and lower staff as units of analysis. The different units ensured adequate representation of age, gender, and seniority of respondents hence validation.

#### **4.3.0 Analysis of Demographic Data**

This section analyses the demographical details of the respondents using appropriate baseline computations.

a) Analysis of Demographic Data

**Table 4.3.0: Analysis of Demographic Data**

Age	Gender				Total	
	Male		Female		Count	Percentage
	Count	Percent	Count	Percent		
18 - 25 years	7	7	16	16	23	23%
26 - 35 years	17	17	20	20	37	37%
36 - 45 years	9	9	11	11	20	20%
46 - 55 years	7	7	6	6	13	13%
56 and above	3	3	4	4	7	7%
<b>Total</b>	<b>43</b>	<b>43</b>	<b>57</b>	<b>57</b>	<b>100</b>	<b>100%</b>

**Source: Analyzed Data, 2018**

As illustrated in Table 4.3.0 above, a total of 23% of the respondents who participated in this study were between the ages 18-25 years old, while 37% of respondents were between the ages 26-35 years old. A total of 20% were respondents between the ages 36-45 years old. Only 13% of respondents were between the ages 46-55 years old and the remaining 7% of respondents were between ages 56 and above. Therefore this implies that more females are employed in stanbic bank than the males just because females are considered to be trustworthy than the males in financial issues.

## b) Salary satisfaction

**Table 4.3.1 Salary satisfaction**

Responses	No.of Respondents	Actual No. of Respondents	% of Scores	Total percentage
Strongly agree	0	100	0	100
Agree	39	100	39	100
Neutral	10	100	10	100
Disagree	28	100	28	100
Strongly Disagree	23	100	23	100

*Source: Analyzed Data, 2018*

Table 4.3.1 above illustrates that 39% of the respondents agreed that they were satisfied with the salary they get in the organization, while 10% of the respondents were neutral then 28% of respondents disagreed they were not satisfied with salary and also 23% of the respondents disagreed strongly. Grobler, et al. (2002), state that the main objective of compensation system is to attract and retain high quality staff than that of the competitors. In order to be able to retain staff, the rewards that the staff members get from their compensation must be satisfactory. Grobler, et al. (2002) state that compensation refers to all forms of financial returns and tangible services and benefits employees receive as part of an employment package.

c) No Opportunity for Career Advancement (Training)

**Table 4.3.2:No Opportunity for Career Advancement (Training)**

Responses	No. of respondents	Actual No. of respondents	% of scores	Total percentage (%)
Strongly Agree	4	100	4	100
Agree	40	100	40	100
Neutral	9	100	9	100
Disagree	34	100	34	100
Strongly Disagree	13	100	13	100

*Source: Analyzed Data, 2018*

Table 4.3.2 above illustrates that 4% of the respondents strongly disagreed that there were no opportunities for career advancement, 40% of the respondents agreed that there was no opportunity for career advancement, 9% of the respondents were neutral, 34% of the respondents disagreed and then 13% of the respondents disagreed strongly. According to Ichniowski (2004) another tool for staff retention is staff training. Training may help staff to become more competent and to enjoy their work even better. By providing staff with training and development they are more likely to be keen to take on greater responsibilities more suited to promotion or career progression. Staff may become confident and motivated and they may not rely too much on supervision (Ichniowski, 2004). In a study by Nel, et al. (2004), more than 40 percent of the respondents said they would consider leaving their present employer for another job with the same benefits if that job provided better career development and greater challenges.

#### d) Employee Involvement in Decision Making

**Table 4.3.3: Employee Involvement in Decision Making**

Responses	No. of respondents	Actual No. of Respondent	% of scores	Total percentage (%)
Strongly Agree	18	100	18	100
Agree	41	100	41	100
Neutral	17	100	17	100
Disagree	10	100	10	100
Strongly Disagree	7	100	7	100

*Source: Analyzed Data, 2018*

Table 4.3.3 above highlights that 18% of the respondents agreed strongly that they involved in decision making, 41% agreed that they involved in decision making, 17% of the respondents were neutral. A total of 17% of the respondents disagreed, 10% disagreed and then 7% strongly disagreed. Grobler, et al. (2002) state that steps should be taken to identify and eliminate workplace hazards and to train and educate workers in job safety and health. Crow and Hartman (2007) state that when the work environment is not conducive to the employee's wellbeing and expectations it can contribute to job dissatisfaction and employee turnover. If employees are happy with the current involvement in decision making, they will enjoy to participate in each and every work in the organization

e) Input Appreciated

**Table 4.3.4: Input Appreciated**

Responses	No. of respondents	Actual No. of respondents	% of scores	Total percentage (%)
Strongly Agree	11	100	11	100
Agree	41	100	41	100
Neutral	12	100	12	100
Disagree	24	100	24	100
Strongly Disagree	12	100	12	100

*Source: Analyzed Data, 2018*

Table 4.3.4 above illustrates that 11% of the respondents strongly agreed that the employee's input was appreciated in the organization, 41% of the respondents agreed that input was appreciated, 12% of the respondents were neutral and then 24% of the respondents disagreed. According to Crow and Hartman (2007), money and benefits may attract people to the front door, but something else has to be done to keep them from going out the back. According to Gardner (2009), people have a basic human need to feel appreciated and proud of their work. Recognition and incentive programs help to meet these needs. A successful reward and recognition programs does not have to be complicated or expensive to be effective (Gardner, 2009).

f) Reduction in Work Productivity

Table 4.3.5: Reduction in Work Productivity

Responses	No. of respondents	Actual No. of respondents	% of Scores	Total percentage (%)
Strongly Agree	16	100	16	100
Agree	47	100	57	100
Neutral	17	100	17	100
Disagree	9	100	9	100
Strongly Disagree	11	100	11	100

*Source: Analyzed Data, 2018*

Table 4.3.5 above shows that 16% of the respondents strongly agreed that high staff turnover causes reduction in work productivity, 47% of the respondents agreed that high staff turnover reduces productivity among the workers, 17% of the respondents were neutral, 9% of the respondents disagreed and then 11% of the respondents strongly disagreed that high staff turnover reduces productivity in the organization. According to Neo, et al. (2006), organizations that do not retain a loyal base of employees then they constantly place an inexperienced group of no cohesive units in the front lines of the organization. Ensuring the good employee stays with the organization was help them compete effectively within an industry.

In addition, when an organization loses a valuable employee, there is a negative impact on innovation, consistency in providing service to guests may be jeopardized, and major delays in the delivery of services to customers may occur. A decline in the standard of service provided to customers could also adversely affect the satisfaction of internal and external customers and consequently, the profitability of the organization (Neves, 2009). According to McConnell (2004), companies having an investment perspective of human resource management view training as an opportunity to increase long-term productivity. According to Neo, et al. (2006), training may also be viewed as a solution to a number of problems, such as substandard quality resulting from skills deficiencies and voluntary turnover of employees seeking more rewarding jobs.



**g) Reduction in the Quality of Products and services Produced**

**Table 4.3.6: Reduction in the Quality of Products and services Produced**

Responses	No. of Respondent	Actual No. of Respondent	% of scores	Total percentage (%)
Strongly Agree	4	100	4	100
Agree	57	100	57	100
Neutral	19	100	19	100
Disagree	20	100	20	100
Strongly Disagree	0	100	0	100

*Source: Analyzed Data, 2018*

Table 4.3.6 above highlights that 4% of the respondents agreed strongly that high staff turnover causes reduction in the quality of product and services produced, 57% of the respondents agreed that staff turnover leads to reduction in the quality of product and services, 9% of the participants were neutral. 20% of the respondents disagreed.

According to Taylor (2007), the quality of services in the organization decreases as a result of staff shortage. According to Taylor (2007), customer's evaluation of service quality is affected not only by the end service received, but also by the service delivery process itself, which includes waiting time. Allen, et al. (2007) state that it is a straight forward case that dissatisfied employees cannot give their best performance as their mind is on the things that make them dissatisfied and they feel their effort is not appreciated. Such employees produce not only poor quality work but also less amount of work to the detriment of the organization and clients (Allen, et al., 2007).

#### h) Wastage of Resources

**Table 4.3.7: Wastage of Resources**

<b>Responses</b>	<b>No. of Respondent</b>	<b>Actual No. of respondents</b>	<b>% of scores</b>	<b>Total percentage (%)</b>
Strongly Agree	5	100	5	100
Agree	12	100	12	100
Neutral	20	100	20	100
Disagree	44	100	44	100
Strongly Disagree	24	100	24	100

**Source:** Analyzed Data 2018

Table 4.3.7 above demonstrates that 5% of the respondents strongly agreed that high staff turnover causes too much wastage of resources before new staff settles in the organization 12% of the respondents agreed that staff turnover leads to wastage of resources, while 20% of the respondents were neutral, 44% of the respondents disagreed and then 24% strongly disagreed. Rothwell and Kazanas (2006), state that new staff members make too many mistakes as they are settling in the organization. Johnson and Redmond (2006) state that new employees cause a great deal of wastage; Moreover, organizations experience wasted time owing to inexperienced replacement staff. Management and other staff spend valuable time not doing their job but trying to train and orientate the replacement staff. Kreitner and Kinicki (2007) state that if an employee is not familiar with the organization, errors may occur while learning to use equipment.

i) Employee not Meeting Deadlines

**Table 4.3.8: Employee not Meeting Deadlines**

Responses	No. of respondents	Actual No. of respondents	% of scores	Total percentage (%)
Strongly Agree	12	100	12	100
Agree	34	100	34	100
Neutral	31	100	31	100
Disagree	18	100	18	100
Strongly Disagree	7	100	7	100

**Source: Analyzed Data, 2018**

Table 4.3.8 above shows that 12% of the respondents strongly agreed that staff turnover causes employees not to meet their deadlines, 34% of the respondents agreed, 31% of the respondents were neutral, 18% of the respondents disagreed and then 7% of the respondents disagreed strongly that staff turnover makes employees not to meet their deadlines. According to Taylor (2007), employees were not meeting deadlines because there was lack of manpower due to staff turnover. There might be delay in terms of response while waiting for the replacement staff to arrive. Again there might be some delays while assigning and aligning replacement staff. Gaylor (2001) states that lack of resources and too much workload in the organization can contribute to employees not being able to meet their deadlines in the organization

## J) Disruption of Service Delivery

**Table 4.3.9: Disruption of Service Delivery**

Responses	No. of respondents	Actual No. of respondents	% of scores	Total percentage (%)
Strongly Agree	28	100	28	28
Agree	61	100	61	100
Neutral	8	100	8	100
Disagree	3	100	3	100
Strongly Disagree	0	100	0	100

*Source: Analyzed Data, 2018*

Table 4.3.9 above highlights that 28% of the respondents agreed strongly that staff turnover causes a disruption in service delivery, 61% of the respondents agreed, 8% of the respondents were neutral, 3% of the respondents disagreed. According to Hopkins (2005), employee's disruptions while performing their work have a negative impact on the service delivery. If there are employees who are not at work, the service provided was be reduced compared to when all employees are at work. According to Raliphada (2007), employees in the organization are working hard to balance their work but the quality in the service delivery is not easy to avoid if there are still staff members who are not on duty.

j) Loss of Customers

**Table 4.3.10: Loss of Customers**

Responses	No. of respondents	Actual No. of Respondent	% of scores	Total percentage (%)
Strongly Agree	40	100	40	100
Agree	34	100	34	100
Neutral	19	100	19	100
Disagree	6	100	6	100
Strongly Disagree	1	100	1	100

*Source: Analyzed Data, 2018*

Table 4.3.10: illustrates that 40% of the respondents agreed strongly that poor services provided results in loss of customers, 34% of the respondents agreed, 19% of the respondents were neutral and then 6% of the respondents disagreed. Duchessi (2002), states that one of the reasons for consumer frustration is waiting for efficient service. Locke (2009) states that a program to measure customer satisfaction should be a permanent ongoing process that satisfies what customers want.

k) Increasing Work Load for each Employee

Table 4.3.11: Increasing Work Load for each Employee

Responses	No. of respondents	Actual No. of Respondent	% of scores	Total percentage (%)
Strongly Agree	27	100	27	100
Agree	51	100	51	100
Neutral	18	100	18	100
Disagree	4	100	4	100
Strongly Disagree	0	100	0	100

Source: *Analyzed Data, 2018*

Table 4.3.11 above illustrates that 27% of respondents agreed strongly that high turnover increases work load for each employee, 51% of the respondents agreed, 18% of the respondents were neutral and then 4% of the respondents disagreed that high turnover increases work load. Tyani (2001) states that high staff turnover places unnecessary pressure on staff that are at work. According to Russell and Bvuma (2001), shortage of staff in an organization at any given time implies that the quality and quantity of service is most likely to be different if compared to the time when an organization has all the staff it needs to meet its strategic objectives.

**L) Employees Recognition on Goal Achievement.**

**Table 4.3.12: Employees Recognition on Goal Achievement**

Responses	No. of respondents	Actual No. of Respondents	% of scores	Total percentage (%)
Strongly Agree	7	100	7	100
Agree	46	100	46	100
Neutral	27	100	23	100
Disagree	13	100	13	100
Strongly Disagree	7	100	7	100

**Source:** *Analyzed Data, 2018*

Table 4.3.12 above illustrates that 7% of the respondents agreed strongly that employees must be recognized when they achieve goals, 46 % of the respondents agreed, 27% of respondents were neutral. 13% of respondents disagreed while 7% of the respondents strongly disagreed that employees must not be recognized when they achieve their goals. Smit and de Cronje (2003) state that after achieving their goals, employees like to be recognized by the organization. Recognition can be in the form of praising an employee or can be placed on a notice board in the organization as employee of the month. Recognition motivates employees to feel that they are the part of the organization at large (Luthans, 2002).

l) Employees must be Paid Well

Table 4.3.13: Employees must be paid well

Responses	No. of respondents	Actual No. of respondents	% of scores	Total percentage (%)
Strongly Agree	21	100	21	100
Agree	42	100	42	100
Neutral	25	100	25	100
Disagree	13	100	13	100
Strongly Disagree	0	100	0	100

Source: *Analyzed Data, 2018*

Table 4.3.13 above highlights that a total of 21% of respondents agreed strongly that employees must be paid well, 42% of the respondents agreed that employees must be paid well 25% of respondents were neutral and then 13% of respondents disagreed that employees must not be paid well. Herzberg, et al. (2002) state that factors like work environment, pay and company policies are factors that eliminate dissatisfaction while pay is not the only reason for satisfaction or dissatisfaction, it should be noted that employees' perception of the level of reward they receive in return for their contribution is extremely important to the success of the organization. According to McConnell (2004), if employees' needs are fulfilled, then this increases their commitment to employee performance.



#### m) Employee's Work Relationship

Table 4.3.14: Employee's Work Relationship

Responses	No. of respondents	Actual No. of respondents	% of scores	Total percentage (%)
Strongly Agree	16	100	16	100
Agree	33	100	33	100
Neutral	32	100	32	100
Disagree	17	100	17	100
Strongly Disagree	2	100	2	100

*Source: Analyzed Data, 2018*

Table 4.3.14 above highlights that a total of 16% of respondents strongly agreed that working relationship between employees must be improved, 33% of the respondents agreed, 32% of respondents were neutral, 17% of respondents disagreed that working relationship must be improved between employees while 2% disagreed strongly. Smit and de Cronje (2003) state that sometimes workers absent themselves just to avoid being in contact with a particular individual because they are angry at each other or fearful of each other. Dalton and Mesch (2001) state that unhealthy competition and lack of team spirit among the employees themselves may cause lowered group cohesiveness leading to staff turnover.

#### 4.4 Discussion of the Findings

##### 4.4.1 Main Reasons for Employees to Leave Their Jobs

During the course of data collection, the researcher noted that, the impact of turnover had received considerable attention by senior management. In short, turnover proved to be one of the most costly human resources challenging the bank. The main research objective was to find out the causes and later impact of employee turnover at stanbic bank.

The question sought opinions from the respondents as to what they thought were reasons for their colleagues to leave the organization. Based on the findings, several factors were attributed to the phenomenon; it included salary scale, unsatisfactory performance evaluation, and job satisfaction, lack of recognition, poor working condition and work boredom.

#### **4.4.2 Salary Scale**

This is the most common cause of employee turnover proved by respondents. Employees are in search of jobs which pay well. If the companies in which they work do not pay well, they tend to hunt for jobs that pay them considerably well. Management alienates staff by promoting someone who lacks training and or the necessary experience to supervise. Employees tend to favor an organization in which the opportunities for advancing are wisely managed. The findings exemplified that promotional procedures are not clear and fair to all employees. An employee in the organization might have the proper qualifications to fill a vacant position but the organization was hire a fresh employee for the position.

It was found that, the most common reason for leaving is the availability of higher paying jobs. It was discovered that an employee could leave the current job for the increase of salary between 5% and 10%. It was explained by one of the respondents that 'in a better economy the availability of alternative jobs plays a role in employee turnover'.

Griffen et al. (2000) noted that pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they leave. They cite findings from Milkovich and Newman (1999) that introduction of reward programs may lead to higher turnover among high performers

#### **4.4.3 Lack of Recognition**

Poor recognition methods make employees leave their employer the study noted. The desire for fair recognition and improved status is very essential to everyone regardless of position, age, sex, education and the like. Every employee needs to be recognized by his peers, supervisors and other people. It is kind of embarrassing when someone's effort is not recognized or appraised.

It was found that people want to work in a place where they can succeed and feel their contribution is appreciated. The absence of this environment can push people to explore other opportunities, hence employee turnover rate increases.

#### **4.4.4 Lack of Career Advancement or Training**

When employees were asked about career advancement and training effectiveness, they seemed to be unsatisfied. Some employees explained that due to lack of job rotation, the employer did not give them time to attend training because they knew that business would not continue due to time spent on

training, as a result, they thought of finding another job where they hoped they could get career advancement.

The study discovered that employees frequently named career advancement as a top consideration in choosing and staying with an employer. The same result was obtained by a survey conducted by AON consulting and the society of human resource management, which determined that opportunity or lack of career development, is one of the top reasons cited by employees who voluntarily leave the organization to another.

Martin (2003) detected a complex relationship between turnover and training. He suggested that establishments that enhance the skills of existing workers have lower turnover rates. However, turnover is higher when employees are trained to be multi-skilled, which may imply that this type of training enhances the prospects of workers to find work elsewhere. The literature on the link between lower turnover and career advancement has found that off-the-job training is associated with higher turnover presumably because this type of training impacts more general skills, Martin (2003)

#### **4.4.5 Lack of work-life Balance**

It was discovered that lack of work life balance is a source of employee dissatisfaction. Some of the respondents complained that after job, they do not get enough time to spend with their families and for their personal activities, they are therefore de-motivated and this fact forces them to think of leaving their employers. They argued that every person in life has his/her own life to which they want to give proper time other than work life, so whenever employees find any conflict in between both lives they prefer to move to somewhere else, where they could avoid such conflicts. In the present conditions of competition among different employers in the banking industry, there is a possibility that the employees are stretched to give maximum output and this may cause imbalance between work and employee's personal life.

Employers can offer a range of different programs and initiatives, such as flexible working arrangements in the form of part-time, casual and telecommuting work. More proactive workers can provide employees not to work after official working hours. The study also found out that some employees including the managerial workers take work at home almost every day.

In the review of documentary sources, the researcher found that there is a legal provision issued in the Uganda labor law to govern work-life balance. The exiting provisions include, annual leave, such that all employees are entitled to a minimum of 28 days of paid annual leave.

Similarly, the working week is limited to 40 hours that is 8 hours a day. All women are also entitled to 84 days paid leave on the time of child birth. However, the important point to note is, an effective work –life balance strategy is not simply about complying with the law, it is actually finding out about employee needs and priorities and considering how they can be met in ways that are consistent with the needs of the business. Employers are increasingly concerned to protect their reputation and employer's brand. Work-life balance policies are an important way for employers to identify their commitment to quality and social responsibility.

#### **4.5 Measures taken by Management to reduce Turnover**

Respondents were asked whether they were any efforts made by the management to retain employees. The findings showed that the management had started retaining qualified employees by giving them an increment in salary once they presented their resignation letters as one of the retention strategies. However, this caused low morale to other staff as it created a big income gap. The management also started to effectively use the exit interview procedure to identify reasons for employees leaving the organization, but this study noted that some employees were not saying the truth while filling the forms.

To overcome the problem of career advancement, the bank opened a learning and development center that operated within the bank, with the purpose of providing various job related training to their employees. This center has not been fruitful enough since the managers and staff is very much occupied with the business as usual in such a way that there was not enough time for training. Even when the center organized training for some days, managers were not ready to release their employees due to workload.

At the training level, the bank had started to conduct specialized training programs besides regular on-the-job training. The training programs include modules on customer service, team effectiveness and quality consciousness.

As for performance appraisal system, the bank had started to adopt a joint process in which both the supervisor and subordinate sat together set common goals and targets to be achieved for the year, compared performance versus targets to be achieved in that year, and identified training needs. The supervisor was also encouraged to counsel the subordinates and make them aware of their respective strengths and weaknesses.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

In this chapter, summary of the study findings, conclusions, recommendations and need for further research are presented. The main objective of the study was to assess the impact of employee turnover on organization performance in Stanbic Bank kagadi branch. The study was conducted through secondary literature review and data were collected and analyzed. Four important areas of the study concern were to assess the impact of employee turnover on organization performance in Stanbic Bank kagadi branch; investigate the causes of staff turnover in Stanbic Bank kagadi and finally recommend strategies that can be used to reduce the high level of employee Turnover in Stanbic Bank Uganda Limited.

#### **5.1 Summary of the Research Findings**

##### **5.1.1 Main causes of Employees turnover in Stanbic Bank**

The research findings indicated that employee turnover was a major problem with financial institutions, not only Stanbic Bank as evidenced by some employees but also other banks like, Centenary bank, Equity bank and many other banks. This was caused by various factors such as poor salary packages, too much work load, work stress, lack of career advancement, lack of job retention, work stress and unfair promotion subjective performance evaluation done by supervisor.

##### **5.1.2 Efforts Done by the Management to Retain their Employees**

The findings showed that the management was more concerned with the quality of the personnel leaving the bank which were considered as the key talents of the bank at the same time left no room for negotiations. It was discovered that, the management concern was not merely the number of employees leaving the bank that were relevant but rather the quality of personnel who left the bank. As a result high rate of turnover increased work load and stress to others, reduced morale to team work and at the end, employees whom management believed they were high performers also resigned. This increased the rate of turnover of the workers in stanbic bank.

Retention strategies based on understanding the factors that determine whether the employees leave or stay. For early-career employees (less than 30years of age) career advancement is significant. For mid-

career employees (between age of 31 and 50 years old) the ability to manage their career and satisfaction from their work are important. Late career employees (over 50 years old) were interested in security. It was also the case that young workforce change jobs and employers more often than the older workforce, and workforce with a lot of part-timers are less stable than those with full time employees.

The researcher also noted that from the study of Holbeche (1998) of high flyers, who found out that the factors that aided the retention and motivation of high performers included providing challenge and achievement opportunities, mentors, realistic self-assessment and feedback processes. The study also summarized three employee retention explained below:

**Exit turnover survey:** This survey found out why employees left the organization where they went and why, what could have been done to improve their work experience and keep them with the company and other pertinent information. These surveys are typically conducted semi-annually or annually and may be sent to all former employees that left the organizations on their own initiative.

**Exit interview survey:** In this type of survey, employees complete the employees exit interview survey prior to leave the organization. Exit interview survey establish the reason why employees are leaving the organization, where they are going and why, what could have been done to improve their work experience at the organization and other pertinent information.

**Employee retention survey:** This survey was highly effective for an organization with high employee turnover throughout the organization or with high turnover in one particular department such as sales, or call Centre. This survey assesses the key employees' satisfaction and employees' engagement and the likelihood that the employees who stay with the organization for the foreseeable future. This employee survey also identified reasons as to why employees are likely to leave the organization and what was supposed to be done to reduce voluntary employee turnover.

These surveys provided a wealth information and insight regarding why employees were thinking of leaving the organization. Acting on this information, the organization reduced unwanted employee turnover, generating a strong payback on the survey and bottom line results.

## **5.2 Conclusion**

The objective of this study was to assess the impact of employee turnover on organization performance in Stanbic Bank Kagadi branch. Data were collected and analyzed. The study revealed the following basing on the purpose of the study. Staff turnover was caused by lack of opportunities for career development, remuneration and working condition. Staff turnover if it was not taken into consideration had to damage the image of the organization through losing customers. Moreover, productivity of the organization also decreased because the employees had lost the morale to work in the organization with high staff turnover rate. Paying employees a market related salary helped the management in retaining valuable employees. The services provided by Stanbic Bank became compromised due to high staff turnover and this forced the customers to move to other organizations for the same better services. This study therefore made recommendations to improve empirical analysis in order to reduce the rate of staff turnover in the Stanbic Bank.

According to Ivancevich and Matteson (2004), personal interest and background were the causes of high staff turnover in the organizations especially stanbic Bank. Awareness program to employees about the retention strategies in the Stanbic Bank Uganda Limited played an important role in staff turnover reduction. Although staff turnover had costs and effects on the performance of the organization like complaints by customers about the services that were not up to standard. It was therefore important to ensure that front line staff members are empowered to deal with customer requests efficiently, since the ability or inability of the front line staff to respond to these requests reflects on service delivery offered by Sanbic Bank Uganda Limited.

## **5.3 Recommendations**

Arising from the empirical analysis of results, the following recommendations are made for Stanbic Bank Uganda Limited:

- i) Top management should create opportunities for career advancement in the organization. Creation of opportunities for career advancement may help staff to become more competent and to enjoy their work even better.
- ii) Top management should give due recognition to its internal employees when there are new positions within the organization. Clear, achievable goals and standards for each position should be set and should be known to employees. Individuals should also receive regular, timely feedback on how they are doing and should feel they are being adequately challenged in their jobs (Mathis and Jackson, 2007).

- iii) Top management should improve working conditions within the organization. The working environment should be conducive for employee's health and safety in the department. To motivate the workforce, it is important to ensure a hazard free and safe environment which also enhances efficiency and productivity. When the adverse effects of the physical work environment are not attended to by management, employees may lose interest in the work and might leave the organization (Del Val, and Fuentes, 2003).
- iv) Top management should involve employees in the decision making process. Top management should involve employees in any issue that was affecting them in the organization. Employee involvement may be through meeting with their representatives.
- v) Top management should develop employee assistance programs in the organization to assist employees with problems to eliminate absenteeism or staff turnover. Top management should also make sure that employees are aware of these programs in the organization.
- vi) According to Erasmus, *et al.* (2003), the introduction of Employee Assistance Programmed is of vital importance whereby troubled employees could get-in-house assistance in order to be able to cope with problems that have a negative impact on their performance that may affect service delivery.
- vii) Top management should also appreciate employee's input in the organization when they meet organizational goals. Appreciation can be through announcement or writing a letter of commendation and placing it in the notice board or provide some incentives.
- viii) Top management should reduce work boredom to employees by revisiting employee's job description in order to add some challenging tasks on the employee's job description. If there is no match between employee and the job, the employees become bored by the job that provides no challenges or one that provides unrealistic challenges. These realities are the ones that make people leave the organization (Erasmus, *et al.*, 2003).

#### 5.4 Direction for Further Research

A quantitative approach was employed in this research and questionnaires were used to collect data from the respondents. In this study, the majority of respondents had different opinions on the impact of employee turnover on organization performance and there is also a need to conduct further research which can focus on employee retention strategies. Further research could be done in this field of study using qualitative methods. Qualitative methods could allow the researcher to use interviews to collect rich data from the respondents



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## APPENDICES

### Appendix 1: Questionnaire

#### LETTER OF INTRODUCTION

**Karubanga Adolf**  
**Kampala International University**  
**College of Economics and Management**

**Date: ..... / ..... / .....**

**Dear Respondents.**

My name is **Karubanga Adolf** a student of Kampala International University and I am carrying out a study “to assess the impact of labor turnover on performance of Stanbic bank kagadi branch”. Therefore requests you to participate in this study by providing your views to the questions below in the best way that suits you. The information is purely academic and your response was be well treated with utmost confidentiality that your disclosure remains purely personal unless given permission that information was be released to a third party.

Thank You

**Karubanga Adolf**

**Student KIU**

**PART A: GENERAL INFORMATION ABOUT RESPONDENTS**  
**RESPONDENTS SHOULD COMPLETE THIS PART**

1. Name: \_\_\_\_\_
2. Organization: \_\_\_\_\_
3. Name and position of a person completing this questionnaire  
\_\_\_\_\_
4. Company Address:  
P.O. Box \_\_\_\_\_  
  
Region \_\_\_\_\_ District \_\_\_\_\_  
  
Telephone Number \_\_\_\_\_ Fax \_\_\_\_\_  
  
Web site \_\_\_\_\_ Email \_\_\_\_\_
5. Date of employment \_\_\_\_\_
6. Date of commencement \_\_\_\_\_

**PART B**

**Questionnaire to respondents**

1. Please tick one of the correct answers
2. Answer all questions.

**Section A: Demographic Background**

- 1) Respondents Responsibility/occupation .....
- 2) Educational Backgrounds; Primary ☐ Secondary ☐ University ☐ other tertiary ☐
- 3) Sex / gender; Male ☐ Female ☐
- 4) Age group; 18-25yrs ☐ , 26-33yrs ☐ 34-41yrs ☐ 42-49yrs ☐ 50 & above ☐

SECTION B

Please tick the correct answer

Strongly Agree = SA

Agree = A

Neutral = N

Disagree = D

Strongly Disagree = SD

1. Please indicate your response regarding causes of employee turnover

NO	ITEM	SA	A	N	D	SD
1	Am satisfied with the salary I' m getting in my organization					
2	In my organization there is opportunity for career advancement					
3	Am satisfied with the working conditions					
4	Staff members are involved in decision making					
5	There is employee assistance programs					
6	My input is appreciated					
7	Work boredom is the causes of staff turnover.					

2. Please indicate your response regarding the impact of employee turnover on organizational performance in Stanbic Uganda Limited.

NO	ITEM	SA	A	N	D	SD
1	High staff turnover causes too much wastage of resources when new staff settles in					
2	High staff turnover causes reduction in work productivity					
3	High staff turnover causes reduction in the quality of product produced					
4	High staff turnover cause employee not to meet their deadlines.					
5	High staff turnover cause employee not to meet their deadlines.					
6	Staff turnover causes a decline in services provision					
7	Staff turnover disrupts service delivery Service provided results in loss of customers					

3. Please indicate your response regarding ways that can be used to reduce staff turnover.

NO	ITEM	SA	A	N	D	SD
	Work relationship between employees must be improved.					
	Employees must be recognized when they achieve goals.					
	Employee must be paid well (reasonable salary).					

**SECTION B: INTERVIEW QUESTIONS.**

1. What inspired you to join this organization?

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

2. Do you think of leaving your current job? If yes, why?

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

3. In your opinion, what do you think are the reasons why your colleagues choose to leave this organization?

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

4. What makes you continue working with this organization?

.....  
.....

5. How do you think employee turnover has affected this bank?

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

6. What measure has the management taken to reduce the level of turnover in this organization?

.....  
.....

7. In your opinion, what makes an employee stay with one employer until the end of the prescribed contract?

.....  
.....

*Thank you for your time and Cooperation*

*"God bless you"*