



**INFLUENCE OF MOTIVATION AND TRAINING ON LABOUR TURNOVER IN STATE CORPORATIONS IN KENYA**

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### ABSTRACT

*The study was guided by one general objective and two specific objectives: To establish how employee training, and employee motivation influence staff turnover in NWCPC. The study adopted descriptive research designs with NWCPC staff being the target population. Simple random sampling was used to select a sample size of 30% of the target population of 461 employees. Self-administered questionnaires were used as data collection instruments. The questionnaires were pre-tested for reliability and validity. Qualitative and quantitative data was analyzed by the help of Statistical package for social scientists software (SPSS). Data was analyzed using descriptive statistics. The results were tabulated using frequency distribution tables and pie charts. The study was able to establish possible solutions to the problem of labor turnover. The study also concluded that labor turnover is spread throughout the year and impacts negatively to the organization. 54.47% of the respondents agreed that motivation is a factor that determines how long an employee stays in the organization. 54.47% of the respondents agreed that motivation is a factor that determines how long an employee stays in the organization. In addition to the study established that training and employee motivation contributes immensely in influencing employee turnover.*

**Key words:** Employee Training, Employee Motivation and Labor Turnover

## INTRODUCTION

Labor turnover rates vary in UK from region to region and industry to industry. Results from CIPD Recruitment and retention survey (2009) indicate that the aggregate rate of labor turnover from UK was sixteen percent a little lower than in 2008 when it was seventeen per cent. Geographic variations indicate that high labor turnover rates are more likely to occur in the regions where unemployment is lower and it is easier for employees to find alternative work. The survey shows that labor turnover rates are higher in private sector where aggregate is around 18% and lowest in the public sector at around 13%. However these figures hide significant differences between industries and type of jobs (Stephen & Marjorie, 2010).

South Africa continues to experience a situation where teachers are resigning from the profession in droves. They are various factors although not exhaustive are amongst some of the fundamental reasons behind the high turnover rate of teachers from the profession (Mampane, 2012) Employee turnover also pose serious challenge to service delivery and economic growth in Limpopo Province, South Africa (Pietersen & Oni, 2014) Local government departments in Limpopo Province, as well as work organizations everywhere in the country, have to compete for talent. They have find ways to manage employee retention proactively to ensure that they have the necessary human resource in place to provide services to citizens in the region. However, local government departments in Limpopo Province are losing human capital that the province could ill afford (Petersen & Oni, 2014).

Locally, Kenya is no exception to the phenomenon of staff retention which is manifested more in form of brain drain. Kamocheet *al.*, (2004) note that Kenya is losing its skilled human resources, especially professional and technical personnel to

Europe and America. Further, South Africa and Botswana have become popular destinations for Kenyan academics from major state universities. This is supported by Waswaet *al.*, (2008) who observe that staff have resigned from Kenyan state corporations and secured better paying jobs abroad.

### Problem statement

Despite the costs of labor turnover being significant it remains a measure that is rarely calculated, this is a lost human resource opportunity because a more convincing case for new initiatives could be made if the costs of turnover are presented alongside the costs for retention strategies through proactivity in developing turnover costing models (Stephen & Marjorie, *et al* 2010). Turnover is a serious problem for many services industries and especially fast food. Many consultants just write it off as part of business. A survey done by Domino Pizza found that most important factor related business success or failure is the quality of store manager to deal with employee turnover.

According to Pillay (2009) High employee turnover if not addressed can impact organizations negatively through loss of highly skills staff, loss of knowledge and experience, established customer relations and may even result in poor customer satisfaction, poor sales and resultant possible loss of revenue and market share before newly recruited sales representatives can forged relationships and understand customer needs.

Most studies (Delaney & Huselid, 1996) done of the employee turnover sought to establish preliminary indices for employee turnover situations in different subsector hence making many statistics that describes the turnover of employees as abundant. In spite of having many studies undertaken on staff turnover in state corporations, none of the studies have managed to come up with an effective solution on how state corporations should employ

effective staff retention strategies, conduct exit interviews, employ effective rewards programs and provide better working environment. This has therefore created a wide knowledge gap on staff turnover management.

State corporations institutions in Kenya have become vulnerable to losing their highly qualified knowledge workers to well-paid offers from the private sector, and headhunting from other private institutions internationally (Ngobeni&Bezuidenhout, 2011). Over the last two decades, State corporations have been facing a myriad of problems which have affected their ability to motivate and retain their employees (Agoi, 2015). Few studies have been conducted on work engagement and turnover intentions on state corporations. In this regard this thesis sought to establish workable strategies to manage labor turnover a case of National Water Corporation and Pipeline Corporation.

## **LITERATURE REVIEW**

### **Theoretical Framework**

Herzberg's two factor theory of motivation was very influential in the 1960's. His research (1966) found that satisfaction and dissatisfaction were not necessarily related and that just because a person did not feel satisfied about a particular aspect of their work it did not mean that they were necessarily dissatisfied. Equally if workers did not feel dissatisfied this did not imply automatic. Bowey & Thorpe (2000) observe that much of this literature was written from upstream evaluations of what actually happened to organizations following the implementation of a particular idea. Later literature has posted the existence of people as complex animals (Latham, 2006). This doesn't provide us with any automatically universal picture of the employee for as Rollin son (1998) notes the need and values of individuals are highly diverse

and organizations in which people work are different Goldthorpe (1968) describe a group of manual works whom they term instrumental who appeared to want little else from work other than money to enable them enjoy life to full outside work place enjoy life to full outside work place. Conditions of work that are always addressed in organization forms a strategic move to retain employees.

## **Empirical Review**

### **Motivation and labor turnover**

Bretta (2014) researched about factors influencing high labor turnover in anti-counterfeit agency Kenya. From her foregoing findings, analysis and conclusion, the following recommendations are hereby made: The study identified the need for the study area and similar organizations to institute human resource policies that will enhance career growth opportunities for employees; improve working conditions, staff ought to be clearly communicated upon, the set goals and targets; provide each staff a specific job description clearly indicating functions, responsibilities and reporting structures in addition to addressing staff issues and suggestions; and improve on the terms and conditions of service, there is need to periodically benchmark and review skilled staff' remuneration packages in line with best practices.

A study on South African doctors' job motivation revealed that overall; doctors were dissatisfied with their work. Among the variables measured, the study cited that doctors are highly dissatisfied with practice pressures and work setting. Lack of challenge and self-direction is the most common job complaint among the members of educated work force in America. Further findings indicated that among the unmotivated staff, 36% of American workers felt underutilized, 32% believed they are "overeducated" for their jobs, and more than 50%

complained about a lack of control over the days they work and their job assignment.

### Training and labor turnover

According to Nyakego, (2014) studied an analysis of effects of career path development on employee turnover rates in public sector a case of Kerio valley development authority .The study made the conclusions with special regard to the objectives of the study. The study established that the jobs that the employees were undertaking were challenging. It was also established that the employees were closely supervised and given support. From the study findings it was established that there was no career human resource development policy in place at KVDA and the staff therefore were not aware of career development opportunities within the organization.

According to Krietner (1995) in his book *The Good Manager's Guide*, no matter how carefully job applicants are screened, typically a gap remains between what the employee does know and what they should know. An organization which desires to gain the competitive edge in its respective industry, needs among other things, extensive and effective training of its human resources.

Most companies considered experience, of the employees as well as education background when setting compensation scheme. The performance of a company influenced the schemes that the companies applied to compensate their employees with only a small number combining both salaries and bonuses Kiarie (2005) conclude therefore that performance is not a major factor while settling compensation schemes for most quoted companies in Kenya.

Next is general information which entails an overall explanation of the organization's operations and processes; conditions of employment, including hours of work, pay periods, overtime requirements,

punctuality; safety and health policies and procedures, among others (Dessler, 2005). Initial impression counts much in the later attitude of the employee towards the job and the company, which can determine their worker performance and level of productivity (Kumar and Sharma, 2001). The authors argue that the objective of an induction program is to build up the employee's confidence in the organization and in himself or herself so that he may become an efficient worker.

### Conceptual framework

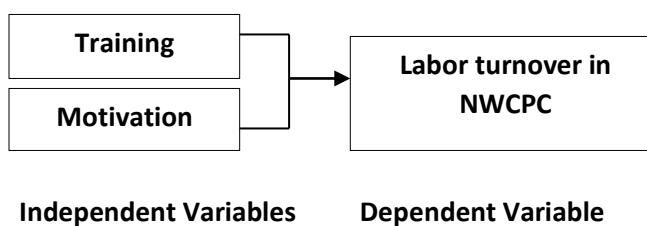


Figure 1: Conceptual Framework

### METHODOLOGY

The study adopted descriptive survey research design. The target population of the study was the employees' of NWPC, Nairobi and this added up 46 employees. Simple random sampling procedures taking the form of stratified random sampling was used by dividing the target population in eight strata on the basis of distinctive categories of departments work in the organization namely human resource, procurement, engineering department. Primary data was collected through structured questionnaire administered to respondents. Regression analysis was conducted with the help of SPSS. Linear regression was used to help indicate if strategies had a significant relationship with controlling labor turnover and to indicate the relative strength of different independent variables' effects on organizational performance. The Statistical Package for Social Scientists (SPSS) computer software was used specifically for the purpose of analyzing the quantitative data and presenting it in form of tables.

**RESULTS**

**Table 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.476 <sup>a</sup>	.227	.214	.931

a. Predictors: (Constant), Motivation, training

The findings showed that there was a positive correlation ( $r=0.476$ ) between strategies to control labor turnover of National Water conservation and Pipeline Corporation.  $R^2$  was the proportion of variance in the dependent variable which can be explained by the independent variables; it tells us the goodness of fit of the model. The  $R^2$  value of 0.227 meant that 22.7% of strategies to control labor turnover in National Water conservation and Pipeline Corporation can be explained by the strategies. The adjusted is  $R^2$  value of 0.214 in this

study meant that about 21.4% of the variability of strategies of National Water conservation and Pipeline Corporation was accounted for by the model, even after taking into account the number of predictor variables in the model (4). The model summary therefore showed that the strategies considered for this study were very important to controlling labor turnover of National Water conservation and Pipeline Corporation as they contributed to great extent to its variation.

**Table 2: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.559	2	15.279	17.617	.000 <sup>b</sup>
	Residual	104.075	120	.867		
	Total	134.634	122			

a. Dependent Variable: Labor

b. Predictors: (Constant), Motivation, training

The findings showed that the F value of 81.196 was significant ( $p=0.00$ ) at 5% significance level. This meant that overall; the regression model statistically significantly predicted the outcome variable.

The findings showed that motivation ( $p=0.00$ ) and training ( $p=0.00$ ) were all statistically significant. The coefficients therefore showed that training was the most important factor. This was in disagreement with Nyanjom (2013) who found that correlation between labour turnover and training. The findings were in agreement with Nyakego

(2013) who established that selection strategies have a high influence on labour turnover. The study concluded that reward systems have a high influence on performance. The findings were in agreement with Ngethe (2013) who indicated that training is able to generate a positive and significant effect on staff retention. The findings were also in agreement with Akinyomi (2016), who emphasized that alignment of motivation systems with employee values and needs is every bit as important as alignment with business goals, and critical to the realization of the latter.

**Table 3: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	1.236	.295		4.183	.000
	training	.168	.081	.168	2.092	.039
	Motivation	.404	.072	.449	5.598	.000

a. Dependent Variable: Labor

Training policies had a coefficient of 0.168, and evaluation of motivation needs had a coefficient of 0.404. The positive coefficients of Training policies, and motivation needs shows an increase in these variables resulted in improved labor turnover. All the models were significant at 95% since their p-values are less than 0.05. The predictive model developed by the study was  $Y = 1.236 + 0.168X_1 + 0.404X_2$  Where Y is the labor turnover and X is a set of independent variables for research variables which include the training policies ( $X_1$ ) and motivation needs ( $X_2$ ).

### CONCLUSIONS AND RECOMMENDATIONS

To motivate employees, it was recommended that the company should introduce incentives like bonus payment and fringe benefits for splendid performances. It was further recommended that the organization is a determining factor on how long employees work for the organization. Therefore the organization needs to be keen on the handling of the motivation strategy to avert labor turnover. National water conservation and Pipeline Corporation has been growing irrespective of short comings that have been experienced, and there is increased productivity and staff goodwill, they

should explore more proactive opportunities to grow their motivation capacity to ensure that there is mitigation of labor turnover and also to increase the level of proactive initiatives that would be developed by the attrition of staff who are currently attracted and employed by the National water conservation and Pipeline Corporation. They need to consider opportunities for recognition of staff and individualistic growth opportunities in addition to.

The organization has to put in place on the job and of the job training facilities. The training should be linked to the career needs of the employees. Linkage of the training and career needs ensures relevant training is offered. It is further recommended that training needs analysis should be carried out before the actual training to ensure rigor in the target for training. Heads of the departments should evaluate all the training needs that have been established for all staff in the training programs and ascertain that they are taken through training to enable competitiveness is attained when the labor turnover needs are addressed accordingly and this in return ensures there is effectiveness in controlling labor turnover.

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