# CAUSES OF LABOUR TURNOVER IN FARM INDUSTRY IN KENYA A CASE OF KAPKOROS TEA FACTORY IN BOMET COUNTY

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A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS IN HUMAN RESOURCE MANAGEMENT OF THE OPEN UNIVERSITYOF TANZANIA

# **CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for acceptance by Open University of Tanzania a dissertation titled: "Causes of Labour Turnover in Farm Industry in Kenya: A Case of Kapkoros Tea Factory", in partial fulfillment requirements for the degree of Masters in Human Resource Management of the Open University of Tanzania.

Prof. Deus Ngaruko

Date

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# **DECLARATION**

I, James Ooko Obwora, do hereby declare that this research project is my original
work and has not been submitted to any other university for academic award.
Signature
Date

# **DEDICATION**

Dedicated to my three beautiful daughters, Natalie, Leah and Laura. By the grace of the good Lord, May they live long to see the fruits of this work.

#### ACKNOWLEDGEMENT

In developing this project, I am indebted to many persons for assistance. My first thanks go to the many authors quoted in this work. I am particularly indebted to Professor Deus Ngaruko who was very instrumental in guiding me from the initial stage of developing this project into to what it is now. I would also like to extend my sincere gratitude to him for supervising this work and his valuable comments and correction's which has shaped this work into a well crafted scholarly piece that is now part of the scholarly contribution of the open University of Tanzania. To my classmates of 2012 class, and specifically Mr. Tunya Moses for his inspiration and encouragement, to you all, I say thank you very much. Finally, to the staff of college of Human Resource Management in Nairobi, I salute you for your guidance and support in execution of this project. And to all those who assisted me in one way or another, I say thank you, and may God bless you all.

#### **ABSTRACT**

Studies done regarding Labour turnover in farm industry across the world reveal that the industry has a very high rate of turnover, with employees changing jobs from time to time. The causes are both internal and external. These causes of labour turnover affect the growth and profitability of an organization when it occurs. Both employers and employees see the process of labour turnover as a natural and inevitable feature of the industry. In Kenya, very little has been documented on the causes of labour turnover in farm industry. According to previous research (i.e. Kenya export process zone Authority 2005), employees are more willing to leave Tea farms to join other industries. The study however did not cite the actual levels of labour turnover, wastages and causes behind this phenomenon. This study will be conducted with specific reference to Kapkoros Tea Factory in Bomet County. The study adopted descriptive survey research design. Some employees interviewed were permanent and pensionable whereas others were employed as casuals. Sample random sampling was used to pick these factors as well as the respondents for the study. The survey revealed a number of both internal and external causes of labour turnover in the industry. As a result, the study was able to establish possible solutions to this problem. Consequently, the results and findings of the study will assist players in both private and public sectors to come out with long terms solutions to the problem of labour turnover. The study also observed that labour turnover is spread throughout the year and it impacts negatively on the tea sector. In addition the study found out that factors such as participation in decision-making, working conditions as well as salary levels played a big role in influencing employees moving from farm to another.

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# LIST OF ABBREVIATIONS

HR Human Resource

CBA Collective Bargaining Agreement

SPSS Statistical Package for Social Sciences

IR Industrial relations

FKE Federation of Kenya Employers

COTU Central Organization of Trade Unions

HRM Human Resource Managers

HRP Human Resource Planners

KTDA Kenya Tea Development Authority

OHSP Occupation, health and safety programmes

#### **CHAPTER ONE**

## **INTRODUCTION**

# 1.1 Background to the Study

The British government used various incentives to entice citizens to move to its new colony-Kenya. According to Southern cape (2005), in his book "The brutal end of empire in Kenya", advertisements appeared in the British newspapers branding the colony as an attractive destination for Agricultural production.

The effects of such advertisements were thronging of thousands of British settlers to the colony. It has been estimated that by 19005, three thousand (3,000) settlers had docked in the Mombasa port. The settlers who arrived in colonial Kenya were guaranteed fertile land that had been confiscated from indigenous Africans. It was on this land that several tea factories were established, hence the beginning of Tea Industry in Kenya. Kapkoros Tea factory in Bomet County is one such factory.

In today's corporate world, many organizations find it difficult to retain employees who keep on moving from one sector to another in search of greener pasture, which eventually leads to high labour turnover. As evidenced by several studies, this problem cuts across different sectors of the economy in Kenya. In the Agricultural sector (farm Industry) the problem is very rampant in Kenya. For example according to a study on factors contributing to labour turnover in sugar industry in Kenya by Bula Orwa (October 2012), there is a constant exodus of employees who leave the sugar industry to join other sectors.

Also, according to another study on causes of labour turnover in Kenya, (Educational Research) ISSN: 2141-516 (2011), sonny Sugar has been rated as one of the poor performing sugar industries because of the high rate of labour turnover. The problem of labour turnover in Kenya is not confined to agricultural sector alone. In fact it cuts across different sectors of the economy For example, in a look at a study published in international journal of Business and social sciences; the problem is more less the same in the hospitality industry.

In that study, which looks at causes of labor turnover in three and five star hotels in Nairobi, it was established that the hospitality industry has a high rate of labour turnover with employees changing jobs from time to time. That the problem of labour turnover transcends Kenya's boundary is manifested by the fact that the subject has attracted research and studies by International scholars, researchers and academicians According to Hiemstra (1990), labour turnover has significant direct costs to organizations. In addition to direct costs, there are also indirect costs which are associated with decreased levels of employee motivation, absenteeism and tardiness leading to customer dissatisfaction and ultimately customer defection (Fair, 1992).

The problem of labour turnover in farm industry in Kenya can also be compared to other countries globally, such as Australia, where the economy characterized by information explosion, liberation, globalization and intense competition from within and out of the country has led many organizations both in the private and public sector become preoccupied with how to increase "added value" of their employees. (http://www.history cooperative.org.2005). This in essence means that there is need

to encourage employees to remain in the organization and to increase productivity beyond that which is at a minimum accepted standard using scarce resources.

Current exploratory findings have indicated that factories in Bomet country have a potential of high production if their human resources are properly harnessed to avoid the constant and continuous labour turnover, (Republic of Kenya, 2012). The (Rok) (2012) report further indicates that there is a low morale and exodus of employees in farm industries in the country.

From the foregoing, it is clear that certain measures have to be put in place in the company, and indeed in the entire industry so as to arrest the labour turnover problem for the growth and stability of the Kenyan economy. From the studies cited above, it is clear, that the causes of labour turnover in different industries are more or less similar or related. They are both internal and external in nature. The effects of labour turnover therefore appear as a critical challenge facing the farm industry and need to be addressed immediately.

The importance of containing the problem of labour turn over cannot be gainsaid. This means organizations need to motivate their employees in order to retain them. A key ingredient in any performance is retention, thus its importance in retention of their employees. The success of any organization depends on its human resources, its technology and the type of materials it has. Technology and materials cannot operate in isolation; hence they require human touch and hands to make an organization perform effectively and efficiently. It is against this background that workers are very critical to success or failure of any organization and the tea industry is not an

exception. It therefore becomes imperative that the question of labour turnover in tea the sector be addressed.

#### 1.2 Statement of the Problem

Human Resources are one of the most valuable resources of an organization and indeed an organization is nothing without human resources. This applies to companies and an organization both in public and private sector and therefore getting and keeping good people is critical to the success of every organization. Maintaining employees is about providing good working conditions, involvement in decision making, good salaries, and recognition among others.

Many organizations are increasingly finding it difficult to retain employees. Labour turnover is becoming a serious problem in today's business world. Turnover costs for many organizations are very high and can significantly affect financial performance of an organization. Labour turnover is a serious problem in several industries, farm industry included. At Kapkoros tea factory, the problem has manifested itself at various levels for the last three years and has continued to negatively affect the company.

Some of the losses the company has incurred due to consistent labour turnover include financial expenses involved in recruitment and training of new employees, loss of experienced manpower, and reduced productivity. Those left behind suffer low morale which consequently leads to poor performance. It is also important to note that due to frequent and constant turnover, the few remaining employees are over worked which lead to poor performance hence resulting into low productivity.

According to a study conducted in 2014, and published in 10SR Journal of Business and management (10SR-JBM) on the state of the Tea Industry in Kenya, the question of turnover seem to be hindering the growth of otherwise robust industry.

Further, according to a study titled coffee and Tea Industry in Kenya, Export processing zone authority (2005) it was found out that employees move frequently from tea farms to other Industries. However, the study did not cite actual levels, wastages and causes of labour turnover. This may be the reason why the problem has continued to bedevil the industry. This study therefore intends to identify the causes of labour turnover in farm industry in Kenya and come out with long term solutions that could save the industry from collapse.

From the above analysis, it can be seen that is a research gap in previous studies done on labour turnover in the Agricultural sectors. Whereas the studies cited have identified various factors as the cause of the problem, they have failed to show the exact level of the problem and hoe problem can be tackled by offering tangible solutions hence the research gap to be filled.

# 1.3 General Objective of the Study

The main objective of the study is to asses causes of labour turnover in farm industry in Kenya.

# 1.4 Specific Objectives

- (i) To assess the level of labour turnover in farm industry in Kenya.
- (ii) To identify key individual, work and environmental factors which cause labour turnover in farm industry in Kenya.

- (iii) To identify possible solutions to the problem of labour turn over in farm industry in Kenya.
- (iv) To identify which category of employees are prone to labour turnover and its effects on farm industry in Kenya.

# 1.5 Research Questions

- (i) What is the level of labour turnover in farm industry in Kenya?
- (ii) What key individual, work and environmental factors cause labour turnover in farm industry in Kenya?
- (iii) What measures can be put in place to solve the problem of labour turnover in farm industry in Kenya?
- (iv) Which categories of employees are prone to labour turnover in and its effects on farm industry in Kenya?

## 1.6 Significance of the Study

This study is of magnitude significance to both policy makers and Human Resource practitioners in private and public sectors for various reasons. First, the results of the study and recommendations will assist the policy makers in developing policies that mitigate labour turnover in the country. The, findings of the study will assist HR practitioners, and equip them with relevant skills on how to manage labour turnover in farm industry in particular and in other industries generally. Three, the study will contribute to the growth of human resource knowledge by supplementing new facts and knowledge by filling gaps in the existing literature on labour turnover in farm industry. Fourth, the study will lead to the growth and stability of farm industry in

Kenya by identifying causes of labour turnover and recommend appropriate remedies to address the situation. Fifth, the study is important to employees in farm industry as it offers them job security. This comes as a result of mitigation measures put in place to manage labour turnover in the industry as a result of the finding of the study. Finally, the stability and job security of employees in farm industry leads to a stable and prosperous economy of the country.

# 1.7 Scope and Limitation of the Study

This research proposal will be conducted in Kokoris tea factory in Bomet County. For this reason, some of the causes of labour turnover identified may be unique to this area and not related to other farms. Additionally, some employees may be reluctant to answer some questions in the questionnaire for fear of victimization by the management. For this reason, the study may not get conclusive answers to some questions raised.

# CHAPTER TWO LITERATURE REVIEW

#### 2.1 Introduction

This chapter deals with the review of literature on causes of labour turnover in farm industry in Kenya. It reviews works of other scholars and Human Resource practitioners on the subject under study. The chapter will also discuss the theoretical framework that guides this study. According to Mugenda and Mugenda (1999), a review of literature will reveal what strategies, procedures and instruments have been found useful in investigating the problem in question. Labour turnover refers to movement of employees in and out of an organization. However, the term is commonly used to refer only to "Wastage" or the number of employees leaving an organization. High levels of labour turnover can cause serious problems for both large and small organizations. It is costly, lowers productivity and Morale and tends to get worse if not dealt with (Cole, 1988).

# 2.2 Conceptual Definitions

In this study, the key concepts are labour turnover, turnover costs, and human resources.

#### 2.2.1 Labour Turnover

Graham and Benneth, (1988) defined labour turnover as the movement of people in and out of a firm which is usually convenient to measure by recording movement of employees on the assumption that when one employee leaves, he is replaced by another. According to Cole (1988) labour turnover refers to movement of employees

leaving and coming into an organization. However, the term is commonly used to refer only to "Wastage", or the number of employees leaving an organization. According to him high levels of labour turnover can cause serious problems for both large and small scale organization. It is costly, lowers productivity and morale and tends to get worse if not dealt with. On the other hand Milkovich (1997) defines labour turnover as a series of integrated decisions that form the employment relationship. Their quality directly contributes to the ability of organization and employees to achieve their objectives. This study has adopted the definition of Graham and Benneth (1998).

#### 2.2.2 Turnover Costs

According to Fair (1922) this are costs incurred by organization when employees either leave or join the workforce. They include training and advertisement costs. According to Nzuve (1997); this are costs which organizations incur when workers join or quit organization. They include costs for recruitment selection training and development, processing of new employees payroll and payment of terminal benefits. This study has adapted the definition provided by Fair (1922).

#### 2.2.3 Human Resources

Storey (1989) defines human resource management as a strategic and coherent approach to the management of an organization most valued assets - the people working there who individually and collectively contribute to the achievements of its objectives. On his part Mullins (2002) defines Human resource management as resource centered task directed mainly at management needs for human resources to be provided and deployed.

Another definition is given by Susan M. Heat field- (2000). According to her, human resource management is the function within an organization that focus on recruitment of management and providing direction for people who work in the organization. It can also be performed by line managers. She goes further to say that human resource management is the organization function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, benefit, administration and training. This study has adapted the first definition provided by storey (1989).

#### 2.3 Theoretical Framework

The study will be guided by three theories namely Equity theory of motivation, Herzberg two factor theory and Abraham Maslow's theory of needs.

### 2.3.1 Equity Theory of Motivation

Equity theory of motivation suggests that people are influenced in their behaviors by the relative, rewards they either get or are going to get. The assumption is that people are most likely to be motivated by the way they are equitably treated at work. People tend to compare for example, the pay they get with others. They compare what others are paid for the same effort and situation, so that if they are treated unfairly, they will consider themselves as victims of Equity (Robbins, 1992).

## 2.3.2 Herzberg Two Factor Theory

This theory classifies job factors into two namely; motivation factors and hygiene or maintenance factors (Herzberg's 1968). Factors related directly to the job itself. They are concerned with the job content of the work people perform. The theory

postulates that failure to provide sufficient quality will cause dissatisfaction while sufficient supply will tend to job satisfaction and high performance. These factors include achievement, recognition responsibility, advancement, growth opportunities among others.

At another level hygiene or maintenance factor helps to prevent less of money, efficiency and de-motivation. They are the primary cause of unhappiness at work. They are external and do not relate directly to the person's work. They constitute the person's work, environment and include salaries, job security working conditions, status company policies and quality of technical supervision among others.

#### 1 Motivators

Recognition, responsibility, achievement, Advancement and self worthy.

## 2 Dis-satisfiers or hygiene factors

Salary, fringe benefits, working conditions, organizational policies and technical supervisions

Figure 2.1: Hertzberg Two Factor Theory

# 2.3.3 Abraham Maslow's Theory of Needs

Abraham Maslow formulated a needs based framework for human motivation. In this theory, he proposed that human needs are motivated by unsatisfied basic needs before higher needs can be satisfied. After basic needs are satisfied, they stop acting as a motivator and the next needs come in. They progress from psychological, survival, safety, love and self-esteem. Gradually the next need on rank starts to motivate as it attains the psychological precedence. According to this theory human beings are not satisfied until they reach self- actualization status.

Maslow observed that employees need extensive involvement and identification with the organization in order to satisfy their higher needs. According to this theory if you are hungry and have inadequate shelter, you won't be able to attend to social needs. Maslow's hierarchy of needs is illustrated in the Figure 2.2.

- **1. Survival -** Food, clothing and shelter
- **2. Security -** Safe workplace, job security,
- **3. Social -** Need to belong
- **4. Esteem Pride and self worthy**
- **5. Self-Actualization -** Given opportunity to go for as far as their abilities will take them.

Figure 2.2: Maslow's Hierarchy of Needs Theory

## 2.3.4 Synthesis of the Three Theories

The three theories mentioned above are complimentary to each other, hence their importance in guiding this study. Whereas the equity theory is concerned with what motivates people to work, and the Herzberg theory with the person's work environment, both theories clearly outline factors that lead to labour turnover.

On the other hand, Maslow's theory of needs proposes, that, human beings work in order to meet their basic needs. Once the basic needs are met they aspire to next level of needs. When they don't achieve the next level of needs in an organization, they are bound to leave for alternative employment. The three theories are therefore complimentary in analyzing the causes of labour turnover in farm of industry.

#### 2.3.5 Labour Turnover Trends

Graham and Benneth 1988 stated that labour turnover is the movement of people into and out of the firm. It is usually convenient to measure by recording movements out of the firm on the assumption that a leaver is eventually replaced by new employees. Armstrong (1999) says that employees turnover should be analyzed in order to forecast future losses and to identify the reasons for people leaving the organization. Strategies can be developed to mitigate future problems leading to unnecessary wastage and reduce uncontrollable losses.

Werther and Keith (1996) said that training and development teaches existing employees new knowledge, skills and abilities to ensure their continued usefulness to the organization and meeting their personal desires for advancement. The employer must be committed to training and development of the staff, and show this by releasing employees from regular work to attend train and even sponsor them where possible.

According to Elippo (1984) the movement into and out of an organization by the workforce is an index of the stability of that force. Excessive movement is undesirable and expensive, high labour turnover from certain departments suggest need for improvement in working conditions and supervision. Reasons given for leaving must be analyzed carefully to ascertain their truth.

A survey of labour turnover published in December 1997, by the institute of personnel and development indicated that the cost of replacing staff has increased significantly in UK in the last twelve months. Taking a detailed look at available data

on the labour in the UK, the independent employment researchers Industrial relations services argued in 1997 that the economic recovery in the UK, is leading to increasing numbers of resignation and skill shortages, which what in turn are leading to substantial resourcing problems for employees. The overall conclusion of the IPD survey was that the cost of labour turnover associated with all occupational groups, with the exception of unskilled workers had increased over the period of the survey.

#### 2.3.6 Patterns and Benefits of Labour Turnover

The highest rate of labour turnover tends to be among those who have recently joined an organization. Long serving employees are more likely to stay longer because they become used to the work and business and have an established relationship with those around them (Armstrong, 1992).

Labour turnover does not just create costs. Some level of labour turnover is important to bring new ideas, skills and enthusiasm to the labour force. A natural level of turnover can be a way in which a business can slowly reduce its workforce without having to resort to redundancies, (this is often referred to as "natural wastage.") An alternative calculation of labour turnover is known as the "stability index" This illustrates the extent to which the experience workforce is being retained (Thomson, 1997).

# 2.3.7 Costs of Labour Turnover

High labour turnover can be expensive although the actual costs are difficult to get.

Organizations can get costs of labour turnover by adding up the most obvious expenses being those of advertising, recruitment and training, together with the costs

associated with management and supervisory time. The annual total could well convince the organization that time and effort spent reducing labour turnover is cost effective (Sakemi, 2005).

Labour turnover is significant to organization, individuals and management. From an organizational perspective, labour turnover represents a significant direct cost in terms of recruiting, poor production practices and reduced standards as well as high replacement and training costs (Himstra, 1990). Consequently, Fair (1992) suggests that there are other costs associated with labour turnover which include separation costs (exit interview and severance pay) recruitment costs (advertising and search fees, selection costs (interviews and reference checking), hiring costs (induction and initial training), relocation expenses, uniforms and lost productivity costs associated with both the unfilled vacancy and the learning curve associated with new employees. Indirect costs however are associated with decreased levels of employee motivation, absenteeism, tardiness leading to customer dissatisfaction and ultimately customer defection (Fair, 1992).

However, management must be cautious and understand that labour turnover has its costs. Management should not just set out to reduce the labour turnover or encourage it without assessing the potential costs and benefits Nzuve (1997). The major concern should be the costs associated with filling the vacant position. These costs include recruitment and selection, training and development, intention of ongoing working, payment of terminal benefits and processing of new employees payroll (Green 1992).

#### 2.3.8 Indicators of Labour Turnover

In his research on labour turnover, (Price 1977) noted that, low turnover rates present special challenges. The first is to resist over investing in prevention programs. As mentioned earlier by Fair (1992), intention to quit is an important leading indicator along organizational commitment and job satisfaction data. These leading indicators can be crucial for early analysis and action before turnover develops into a serious problem.

# 2.3.9 Causes of Labour Turnover in Farm Industry

Organizations today generally recognize the crucial role their employees play in developing services to their customers. However, they also make every effort to drive down internal costs as part of the price commitment. Labour turnover is seen as one area of cost which can be measured and benchmarked. It is seen as a significant factor when measuring organizational performance, which management can influence (white, 1995). Low labour turnover is seen as an asset in the competitive war.

High labour turnover, on the other hand is seen as a problem to be managed (Bannister and Griffeth, 1986, Glabbek and Bax, (2004). According to Hinkin and Tracey (2000), high employee turnover rates is not country specific, it is a worldwide problem. Fortino and Ninemelier, (1996) indicate that the United States of America has a national annual turnover rates that range from 154 percent to 240 percent. This compared unfavorably with the 12 percent annual turnover rates for businesses in the USA by 2000 as reported by Bureau of labour statistics (USA). Subsequently,

general managers in USA were found to have been with their current employers for approximately eight years (Correl HRA Quarterly, 1992).

Labour turnover is a gradual process. According to Mobley (1997) and employee starts by an evaluation of an existing job and the environment. It is believed that work environment plays a key role on the employees' decision to continue working in an organization or to quit. Job dissatisfaction follows in deciding to quit. The employee may however evaluate the utility of searching for a new job. The search for the new job takes place and the employees evaluate all the jobs available for him or her. Comparison is then done with the present and the best alternative decision is reached by either remaining in the current job or finally quitting.

#### 2.3.10 Internal Causes of Labour Turnover

Internal Labour turnover involves employees leaving their current positions and taking new ones within the same organization (Kenya Bureau of Labour Statistics, 2009). This is also referred to as the Peter's principle and can be positive such as to increase moral by the change of task and supervisors, or negative such as project or relational disruption of the work being done. The effects of internal turnover can be as important to monitor as its external counterpart. Internal turnover can be moderated and controlled by typical human resource mechanisms such as internal recruitment policy or succession planning.

## 2.3.11 Characteristics of a Job

Employees are confronted with continuous crisis and a great deal of daily uncertainties (Brownell and Judi, (1988). Uncertainty creates high levels of job

stress. They also experience jobs that are tightly controlled, routine and monotonous (Lashley, 2000). Their role as workers demands that they present an appropriate emotional response regardless of the circumstances.

Wood and Macaulay (1991) define emotional labour as display of expected emotions and commitment by workers during working hours. According to Taylor (2002), some jobs are intrinsically more attractive than others. A job including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of a job's status is also important.

# 2.3.12 Increase of Pay in other Industries

According to Kushvan (2003), one of the major causes of friction between the employers and their employees is real and perceived lack of fairness in the distribution of wages. Kushvan (2003) further indicates that there are two extreme approaches to the determination of wages.

At one extreme, there is a total transparency in which every employee can know what every employee earns. While on the other end, are employers who not only keep secret what they pay each employee but also make a condition of employment that salaries are not to be discussed between staff. Arriving at a fair system of awarding wages and salaries is not easy and too often is a matter of conjecture Kushvan (2003). Subsequently, the pay systems have been used to address specific managerial problems or goals. Thus, it is important to recognize the relative importance of each job, and remove any potential causes of dissatisfaction. Kushvan

(2003) concludes by stating that, it is vital to adopt a methodical system of evaluating jobs so that wages and salaries are fairly distributed to all.

# 2.3.13 Managing Labour Turnover

There are measures that management can take to minimize unplanned employees exists. According to (Nzuve, SNM 1997), in his book management of Human Resources, a Kenyan perspective, the following measures can be used to maximize exists in organizations.

Clarifying job expectations to new and prospective employees is advisable and ensuring that expected rewards or outcomes by employees is closely tied to desired behavior. The above views are reinforced by Cole, (1991) who asserts that if the level of labour turnover is high because many employees are being dismissed, management may need to examine its strategies.

## 2.4 Empirical Literature Review

Kenyan tea Industry is a major employer and contributes greatly to the Kenyan economy. Tea is one of the important crops in the country alongside other crops in the Agricultural sectors such as sugar, coffee, maize and many more others. A number of studies in various agricultural sectors have been conducted in the country.

2.4.1 Wesonga Justus, Alice Kembo, Noah Mutumba, Makwaro Edwin (2011). The factors contributing to labour turnover in the sugar industry in Kenya (a case of sony sugar company limited).

The study focused on sonny Sugar Company limited and its objective was to assess the factors that contribute to labour turnover and its effects on sonny Sugar Company limited. The study came up with many recommendations, which include; the management should introduce better overtime pay and workers encouraged to take up the opportunity. The managers should involve workers in decision making, the management of the company should review it's pay package, fringe benefits and opportunities for growth be put in place in order to retain its workforce. The study also recommended promotion procedures and adopt worker friendly leadership styles.

2.4.2 Ongonga Jared and Ochieng Albert (2013) Innovation in the Tea Industry: The case of Kericho Tea/ Kenya.

Onngonga and Jared wanted to establish effects of Innovation on performance of tea firms in Kericho town (Kenya). Some farms in Kericho had initiated mechanical tea harvesting operations in an attempt to mitigate the rising production costs and stiff competition. Although this imitative had been taken as an innovation measure to ensure the success of the respective tea farms, it was met with mixed reactions from varied centers. There was a feeling and resistance among the labourers, that machines were likely to push them out of productive employment. The study revealed that the strategies adapted resulted into increased revenues, high productivity levels and reduced costs. The study therefore recommended tea mechanical harvesting operations as an important method of adopting innovation.

## 2.4.3 Bura Orwa Hannan (2012) labour turnover in the sugar Industry in Kenya.

The study was an exploratory one aimed at establishing the reasons why workers leave Kenya's sugar Industry. It also sought to establish the human resource practices in the sugar Industry, asses the extend of labour turnover in the sugar

industry, determine factors responsible for labour turnover and recommend possible solutions to the problem.

The study revealed that labour turnover was spread throughout the year and it frustrated and impacted negatively on the sugar farms. The study found out that salary was a major factor that caused labour turnover, followed by training, promotion, performance appraisal and work conditions. The researchers also established that other factors such as recognition, job content, participation in decision making and leadership style did not feature promptly as causes of labour turnover.

It was also established that participation in decision making and leadership style had a major bearing on performance of workers and productivity. The study also established that although lack of employee commitment and motivation can be major causes of labour turnover, they depend on all the other factors causing labour turnover.

2.4.4 Ezekiel. M. Makor, O.M.J. Nandi, J.K Thuo and Kadian W. Wanyonyi (2012) Influence of occupational healthy and safety programmes on performance of manufacturing firms in Western Province, Kenya.

Occupational health and safety continues to be one of the most critical and emotive issues within the discipline of human resource Management. This is so because a poor health and safety condition leads to employees leaving their work. The purpose of this study was to investigate the influence of health and safety programs on performance of manufacturing firms in Western Kenya. The findings of the study

showed a modest positive relationship between occupational health and safety programs (OHSP) and organizational performance of manufacturing firms. This was an indication that OHSP were not efficient in the studied firms, thus affecting their organizational performance in terms of sales, profitability, production, order, delivery, reputation, target achievement, product quality and production.

The findings of this study therefore reveled that management of the firms must put in place policies and structures for improving OHSP. It was additionally revealed in the study that management should not wait to form ad hoc committees (after an accident has occurred), but instead should put in place active health and safety programmed to be implemented. The results of this study provide vital information to managers, researchers and academicians on the relevance of OHSP in business organizations.

2,4,5. Hope J.B and Macklin P.C Relationship between employee turnover and employee compensation in small business'

The study was conducted in USA and it aimed at examining the relationship between firm size and employee turnover using estimated data. It used employee bio data from the national longitudinal survey of youth to examine differences in employee turnover between small and large firm. Two stage estimation techniques were used to determine if small business employee were more likely to stay with their firm or leave to seek employment at large firms.

The impact of demographic firm size and pecuniary factors on the likelihood of whether an employee will continue to work for the small business was estimated.

This study examined 19 Canadian financial service firms and their current human

capital practice capital practice. The result showed that while human resources managers are effectively managing the people in their organization through training and development, performance reviews and the effective management of fluctuating workforce demands. Senior managers with knowledge management strategies will have the opportunity to leverage past experience to create future business plans This study highlights the need for great attention to be paid to the leveraging of human capital that exists within their knowledge –intensive workforce. Research finding of this study strongly suggest the need to increase knowledge management behaviors such has the valuation and codification of organization knowledge

2.4.6 Samuel S and Chipuza C (2009) employee retention and turnover using motivational variable as a panaceas.

A study was conducted in south Africa and two public and two private sector organization were examined to study the extent to which identified intrinsic and extrinsic motivational variables influenced the retention and reduction of employee turnover in both public and private sector organizations.

The research was aimed at identifying and establishing the key intrinsic and extrinsic motivational variables being used by selected public and private sector organizations in retaining their employees; determine the extent to which the identified intrinsic and extrinsic motivational variables are influencing employees retention and turnover in the selected organizations; and make recommendations to management of the selected organizations on how to effectively retain employees and reduce turnover. The study adopted the cross—sectional survey research design. 145 respondents. The total population of the research comprised 1800 employees of the

surveyed organizations with a sample size of 145 respondents A self –developed questionnaire, measured on a liker scale was used to collect data from respondents. The questionnaire had a Cranach alpha coefficient of =0.85 suggesting that the instrument was reliable. The chi-square test of association was used in testing the hypothesis of the study.

The result showed that employees in both public and private sector organizations were to a very large extent, influenced to stay in their respective organizations by a combination of intrinsic extrinsic motivational factors. The following motivational variables were found to have significantly influenced employee retention in both the public and private sector organizations: training and development, challenging /interesting work, freedom for innovative thinking, and job security.

## 2.5 Summary of Literature Review

From the above literature review cited above, a number of issues emerge as majors factors or players in the labour turnover questions. First, is the question of turnover cost which is a natural outcome of labour turnover and which needs to be managed. On the other hand, there is trend of labour turnover which varies from one company to another depending on how management handles it at an early stage. It is also labour turnover has its benefits as well both to individual employees and the organization.

One such benefit is the acquisition of new skills by individuals who move from one farm to another as well as acquisition of new skills and experience at organizational level. At another level, it has been noted that labour turnover can be of two types,

internal and external. All these are experienced at different times. It is also important to note that labour turnover is not restricted to farm industry alone, rather it cuts across different sectors as evidenced by several citations in the literature review. Similarly, the problem is not confined to Kenya alone, rather it cuts across different countries and even different continents. A look at empirical studies shows evidence of findings across the sectors and across the globe, hence the universality of the problem.

### 2.6 Research Gap

According to a study titled coffee and tea Industry in Kenya Export processing zone authority (2005), it was established that employees are more willing to move from Tea farms to other industries. This study however, did not cite the actual levels of labour turnover, wastages and the causes behind this phenomenon. This study therefore aims at finding the actual levels and the causes of the actual levels and the causes of this turnover in the industry that was not addressed by previous research.

## 2.7 Conceptual Framework

According to Mugenda and Mugenda (2008), Conceptual framework refers to the main structure that gives form and shape to the whole system. It also holds together all the other elements in a logical configuration. In this study, the conceptual framework is based on staff turnover model. This model is a description of the phenomenon under study accompanied by a graphic or visual depicter of major variables of the study. It shows how the variables relate and also interact. This model is based on the employee decision process model adopted from Mobley (1977) and modified as shown in Figure 2.3. This staff turnover model represents a

theoretical process of 10 stages that an employee goes through when either quitting employment or changing jobs.

# Current Employer

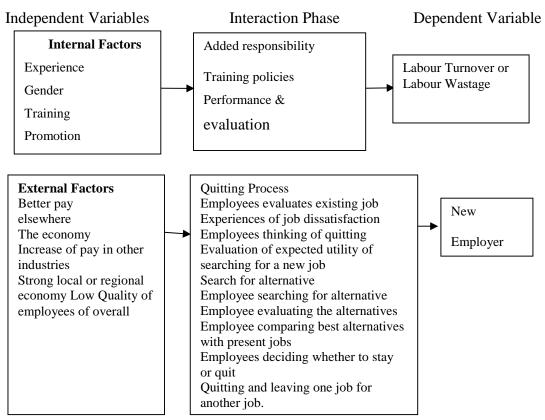


Figure 2.3: Staff Turnover Model

## 2.8 Description of the Conceptual Framework

In this model, it is argued that employee's gender, level of training, experience and duration in employment determines their staying or quitting or seeking other forms of employment. According to Mobley (1977) where employees have added responsibilities, training policies, performance and evaluation and succession plans, employees tend to work for many years. This creates intervention phase through which employers can use in order to retain current employees. The model concludes

that for a resignation to occur, the individual employee is basically concerned with better opportunities elsewhere thus seeking to secure a new employment. The quitting process and labour turnover are closely linked and create a relationship in the conceptual framework.

The process starts when an employee begins looking at alternative employment opportunities in the wider market. After analyzing various options and decides to quit, labour turnover sets in as the employee leaves his current employer for the new market. In this scenario, the new employer is a beneficiary of the labour turnover as he/she acquires experienced and talented skills, whereas the former employer becomes a victim by losing the experienced and talented skills. Therefore, in the Mobley Model of Conceptual Framework, we have both losers and winners as illustrated in the Figure 2.3.

#### **CHAPTER THREE**

#### RESEARCH METHODOLOGY

#### 3.1 Research Paradigm

This study was based on positivism. In Social Sciences and in research in particular, positivism, as a school of thought that works with social reality that can be observed and assessed before predicting behavior or results in terms of probability, if not with absolute certainty. Research paradigm is a way of examining phenomenon from which particular understanding can be gained and explanation attempted. Positivism is based on a set of assumptions, concepts and values held by a group of people. This study is going to use qualitative approach to research. It is going to use analysis of various factors that lead to labour turnover and how it affects farm industry.

#### 3.2 Research Design

The study employed descriptive sectional study design in conducting the survey. Descriptive survey design is appropriate for this because it involves collecting data in order to test hypothesis or answer certain a question pertaining to the research. Descriptive design is concerned with describing, recording, analyzing and reporting conditions that exist or existed. Descriptive methods are widely used to obtain data that is useful in evaluating present practices and in providing basis for decision-making.

#### 3.3 Study Population

Scholars do not agree on the exact proportion of the accessible population that should form the sample size. Mugenda and Mugenda (1999) suggest that in

descriptive studies ten percent (10%) of the survey population is representative enough to generalize characteristics being observed or studied. In this study 10% of the population was used. In this study, out of the total employees of Kapkoros Tea Factory, who are one thousand and eighty (1,080), only one hundred and eight (108) were interviewed.

#### 3.4 Sampling Techniques

The study used purposive sampling and stratified sampling techniques. Purposive sampling was be used to select people with described qualities while stratified sampling was used to group the samples in strata having similar characteristics. On the other hand, stratified sampling was used to achieve representation of the main respondents. The main respondents were stratified on the basis of their department. Key informants (Heads of Departments) were purposively sampled doe to information they have by virtue of their position as managers.

#### 3.5 Data Collection Tools and Procedure

The study involved the collection of both primary and secondary data. Primary data was collected from employees in the company under study. This covered both farm workers and members of the management team. This data was collected by administering questionnaires to a sample of the population identified for the study. The questionnaires were supplied to respondents by the research at their work station, and during working hours. A part from administering questionnaires, the researcher had face-to-face interview with managers which enabled him to gather more informative data as far as policy issues are concerned. At the end of exercise, the researcher collected back all the questionnaires for analyzing.

## 3.6 Data Analysis

After data collection, the researcher organized the raw data before it was useful for any analysis. Before data analysis, the researcher processed the raw data in order to correct any errors and harmonized results by questionnaires. Descriptive statistical components were used to analyze the responses, concerns and views of the respondents on the question that had been asked during the study. Quantitative data analysis was used in editing to minimize errors. Statistical Package for Social Sciences (SPSS) computer software was used to generate tables with frequencies and percentages in order to analyze the responses on level of labour turnover in farm industry in Kenya and environmental factors which explain labour turnover in farm industry in Kenya, and all other questions asked in the in relation to research objectives of the study. Qualitative data was transcribed and organized into various emerging themes and reported in narrative. The qualitative data was be used to enhance more understanding on the description of quantitative data findings guided by the purpose and the objectives of the study.

#### 3.7 Variables

The independent variables in this study were gender, age, level of education, training and duration in employment. These variables are totally free to vary by themselves and do not co-vary with other variable. The dependent variable used in this study was job change measured in percentage over the rate at which the respondents move from one job to another. Job change as the dependent variable is presumed to be influenced by various conditions of the independent variable that present themselves in the work environment.

#### 3.8 Ethical Issues

According to Dawson, (2000), the code of ethics supplies respondents with details of what the researcher intend to do with the information they give. It shows that you intend to treat both the respondents and the information they give with respect and honest. In the course of this study, the researcher upheld the following principles of code of ethics. Firstly, anonymity was upheld by ensuring that respondents are not required to reveal their names in the questionnaires. This ensured that whatever information respondents gave cannot be traced back to them when the report is finally produced.

The other principle that was upheld was the safety of information gathered, to keep it away from unscrupulous individuals with malicious or bad intentions. This means that whatever information given by respondents will not be used against them later. Confidentiality of information was also upheld during the study. This means any information collected will be used solely for purposes of research only and will not be conveyed to third parties under any circumstances. The other principle that the researcher upheld was to inform respondents what the required information was for and who will receive the final report, and for what purposes once s the study is complete.

#### 3.9 Validity and Reliability of Data

Validity of data establishes consistency of research instruments so that the results it achieves can be replicated by a different researcher who conducts similar survey under similar setting. In the case of this study, the researcher ensured that questionnaires were deliberately and specifically designed to capture the information

in the research objectives and research questions. In order to ensure accuracy of the data collected, a pilot study was conducted to test the reliability of the questionnaires in capturing the data before the main survey was conducted.

In addition the researcher ensured the reliability and validity of the data by making sure that objectives and research questions were clearly defined and formulated. Finally, after the pilot study was done, the researcher assessed the accuracy of the questionnaires in terms of capturing data. After some anomalies were detected, corrections were made and questionnaires were re-designed before the final survey was carried out.

#### 3.10 Ethical Issue

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any information collected will be used solely for purposes of research and will not be conveyed to third parties under any circumstances. Lastly, the researcher informed respondents what the required information was for and who will receive the final report, and for what purposes.

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#### **CHAPTER FOUR**

#### RESEARCH FINDINGS, ANALYSIS AND DISCUSSIONS

#### 4.1 Overview

The purpose of this study was to assess causes of labour turnover in farm industry in Kenya. This was done by looking at trends of labour turnover, patterns and benefits of labour turnover and costs of labour turnover. The study also attempted to look at the correlation between labour turnovers with the variables in the study. In order to guide the attainment of the research objectives, questionnaires were formulated and administered by the researcher to a sample of respondents.

## 4.1.2 Response Rate

A total of 108 questionnaires were administered. However out of this, only ninety nine (99) were returned after being fully completed. This represented 91.66% response rate. The non-returned questionnaires on the other hand were 9 which represented 8.33%. The findings were as shown in the Table 4.1.

**Table 4.1: Response Rate** 

Gender	Frequency	Percent
Response	99	92%
Non Response	9	8%
Total	99	100.0

Source: Field data

## 4.2 Sample Description

This section describes the demographic characteristics of the respondents in the study. These characteristics were crucial since they formed the independent variables of the study (age, gender, level of education and level of training).

## **4.2.1** Gender of the Respondents

The study sought to establish the age of the respondents. The findings on the age of the respondents are illustrated below in Table 4.2.

**Table 4.2: Gender of the Respondents** 

Gender	Frequency	Percent
Male	34	34.3
Female	65	65.7
Total	99	100.0

Source: Field data

The study established that gender was a key factor in employees working in farm industry. The nature of farm work, with most tasks similar to or related to traditional farming prevented many males from joining the industry. As a result, most jobs in the industry favoured female compared to their male counterparts. As such, female employees under the study were 65.7% the number and of their male colleagues were 34.3%.

## 4.2.2 Age of the Respondents

In the demographic profile, the study sought to capture the age of employees in the farm industry. The results are shown in the Table 4.3.

**Table 4.3: Age of the Respondents** 

Year	Frequency	Percent
18-35 Years	78	78.8
Above 35 Years	21	21.2
Total	99	100.0

Source: Field data

The result of the Table 4.3 indicate that majority of the respondents who returned the questionnaires were youth as opposed to those who were 35 years and above. From this findings it appears that the majority of employees in farm industry are young people of both gender. This could be linked to the high rate of young school levers who are out looking for employment.

According to ILO report (2001), young people in their first employment had great expectation from their current jobs and whenever such expectations are not realized within a period of less than six months, they resign to look for better opportunities elsewhere. From these findings, it is clear that majority of employees and farm industries are youngsters aged between 18 and35 years. The fact that, only 21.2% of the respondents are above 35 years, is an indication that very few employees in the industry stay for a long period, hence the high rate of labour turnover.

#### 4.2.3 Level of Education/Training

In the study, respondents were asked to indicate their levels of education. The findings are presented below in Table 4.4.

**Table 4.4: Level of Education/Training** 

Level of Education/Level	Frequency	Percent
Primary	31	31.3
Secondary	47	47.5
College	17	17.2
University	4	4.0
Total	99	100.0

Source: Field data

From the above findings it is clear that farm industry attracts majority of people with lower level of education especially primary level as compared to those with college and university education. The inference from the above findings is that the lower the educational level the higher the chances of landing employment in farm industry. On the other hand those with college and university education are likely to get jobs in other sectors. However, if the land in the farm industry they are likely to be in management position such as supervisors and managers. As the above findings reveal those with primary and secondary education were general workers, while those with middle college education were supervisors and those with university education were senior managers.

### 4.2.4 Position/Rank in the Company

The respondents were asked to indicate the position/ rank in the company. The findings are well illustrated in the Table 4.5.

Table 4.5: Position/Rank in the Company

Position/Rank	Frequency	Percent
Senior Managers	3	3.0
Middle Level Managers	5	5.1
Supervisors	19	19.2
Farm Workers	72	72.7
Total	99	100.0

Source: Field data

From the findings of the table above it is clear that majority of the respondents were farm workers, who constitute the highest percentage of the work force as compared with those in management. These workers are tasked with performing general duties

in the company. This findings also reveal the distribution of management structure of the farm industry. It shows that the company is populated by farm workers, followed by supervisors and senior management respectively. This trend is not confined to farm industry alone. Studies conducted elsewhere show that in most companies the main production lines are run and supported by general workers.

## 4.3 Findings of Objective 1

## **4.3.1** The Level of Labour Turnover in Farm Industry

Several causes of labour turnover were identified against which the respondents were requested to indicate the extent to which they applied them in their company. From the responses, frequencies and percentages were used for ease of interpretation and generalization of findings. The findings are clearly illustrated below.

#### 4.3.2 The Number of Employees who Left in the Last One Year

Respondents were asked about the number of employees who left in the last one month. The findings are illustrated below in Table 4.6.

Table 4.6: The Number of Employees who Left in the Last One Year

Number of Employees	Frequency	Percent
10-15 employees	17	17.2
20-25 Employees	6	6.1
30-50 Employees	25	25.3
50 and Above Employees	43	43.4
10-15 employees	17	17.2
Total	99	100.0

Source: Field data

From the findings, it is clear that there is a consistent pattern of employees leaving their job at any given time. This findings show that throughout the year there is a certain number of employees who live the industry. The fact that the number of those leaving vary at any given time means that there are various factors causing labour turnover, which also vary from time to time. Ultimately it means that each individual factor has to be looked at independently as a cause and a relevant solution be offered.

#### 4.3.3 Employees who will Leave Given an Opportunity

Respondents were asked if given an opportunity would leave the company. Results are given below on Table 4.7.

Table 4.7: Employees who will Leave Given an Opportunity

	Frequency	Percent
Immediately	42	42.4
May be	19	19.2
Not at All	13	13.1
Will depend	25	25.3
Total	99	100.0

Source: Field data

In the study the respondents were asked if they were willing to leave the company. From the findings it emerged that a high number of employees at 42.4% are ready to leave compared to 13.1% who are not ready. This shows that, there must be a problem that makes employees want to leave which needs to be addressed. The problem causing the turnover could be analyzed from two perspectives. One, it could be individual factors varying from one person to another. Alternatively, the problem could be work related such as specific tasks performed by a specific employees. On

the other hand the problem could also be environmental. This includes poor working conditions and lack of protective gear.

Since most employees are ready to move to other industries. It confirms, findings of Wood (1995) that there is no career structure for most employees in farm industry, and that jobs are perceived as dead making them less likely to attract long stay recruits. Further, Wood (1995) notes that farm industry is perceived as a pass through industry where many of its workers pass through on their way to other careers.

### 4.3.4 Duration of Employment and Level of Labour Turnover

In the study, respondents were asked to state how long they have worked in their current company. The results are shown below in Table 4.8.

Table 4.8: Duration of Employment and Level of Labour Turnover

Year	Frequency	Percent
1 year	40	40.4
2-3 years	14	14.1
3-5 years	34	34.3
More than 5 years	11	11.1
Total	99	100.0

Source: Field data

In the study respondents were asked to state how long they had worked in the company. The findings revealed that majority of employees had worked in the company for only one year and on the other hand a very minimal number had worked for more than five years. Others had worked for between two to three years.

This means that the rate of labour turnover at the company was very high as employees kept on leaving while new ones came in. This findings confirm the position of Mobley (1977) that incase where added responsibilities, staff training, performance, evaluation and succession plans are lacking, then labour turnover is likely to go up. As explained in the theoretical framework, this triggers the process of searching for alternative opportunities in the market. The employee evaluates the areas options before making the decision. The process finally comes to an end when the employee leaves his job to join a new employer. These findings therefore validate the relevance of the theoretical framework of this study.

## 4.4 Findings of Objective 2

## 4.4.1 Key Individual, Work and Environmental Factors

Key individual work and environmental factors which cause labour turnover were identified against which the respondents were requested to indicate the extent to which they applied to them in their company.

## 4.4.2 Reasons why Employees Left the Company

In the study respondents were asked if they knew the reasons why their colleague's left. The results are shown below in Table 4.9.

Table 4.9: Reasons why Employees left the Company

Reason	Frequency	Percent
Resignation	26	26.3
Dismissal	19	19.2
Health Reasons	24	24.2
Retirement	30	30.3
Total	99	100.0

Source: Field data

From the findings it is clear that labour turnovers not caused by one single factor but several different factors. These factors could be individual, work related or environmental. Examples of these factors are resignation and dismissal among others as cited in the Table 4.9.

These findings confirm the position of Mobley (1977) that in case where added responsibilities, staff training, performance and evaluation and the succession plans are lacking, then labour turnover is likely to go up. From these findings, it clearly comes out that there are myriad problems affecting employees in the farm industry which require agent attention. These reasons could be explained by Maslow's hierarchy of needs theory. According to his theory after achieving basic needs, human needs aspire to the next level of needs till they achieve self-actualization.

### 4.5 Findings of Objective 3

#### 4.5.1 Possible Solutions to the Problem of Labour Turn Over

Possible solution to the problem of labour turnover was identified against which the respondents were requested to indicate the extent to which they applied to them in their company.

#### 4.5.2 What the Company Should do to Reduce the Number of Staff Leaving

Respondents were asked to indicate what the company should do to reduce the number of staff leaving. Results are given on Table 4.10. In the study respondents were asked what the company should do to reduce the number of staff leaving. From the above table it is clear that several solutions are available to solve the problem of labour turnover in farm industry.

Table 4. 10: What the Company Should do to Reduce the Number of Staff Leaving

	Frequency	Percent
Increase salaries	50	50.5
Offer training opportunities	15	15.2
Promote deserving employees	11	11.1
Pay up salary arrears.	23	23.2
Total	99	100.0

Source: Field data

Further it is also clear that employees are conversant with the industry since they are able to provide possible solutions to the problem as shown in the table above. From this findings it can be said that after working in the industry for a certain period, employees become familiar and understand the dynamics of that industry. These findings are an indication that, employees have an idea of what needs to be done to address the problem of labour turnover. Therefore, there is need to consider their views in the recommendations of the study.

This therefore means that the major causes of labour turnover in farm industry, is low salaries, followed by none payment of overtime worked, poor working conditions, and long working hours. However it should be noted that irrespective of which factor, the most or least cause affects the growth and the stability of the farm industry, and therefore they need to be addressed.

#### 4.5.3 What the Company is doing to Address Employees Concerns

The respondents were asked if the company is doing enough to address their concerns. The results are shown below in Table 4.11.

**Table 4.11: What the Company is doing to Address Employees Concerns** 

Extent	Frequency	Percent
Strongly agree	55	55.6
Agree	21	21.2
Neutral	6	6.1
Disagree	5	5.1
Strongly disagree	12	12.1
Total	99	100.0

Source: Field data

From the above results, it is clear that, the management is aware of the problem and is already addressing it. However, it is necessary that, the study recommend other alternative solutions to the problem. Again from the findings, it also emerge that concerted efforts by both management is required to address the problem. The fact that the management is already addressing the problem is an indication that the players in the farm industry are keen on managing and stabilizing the industry.

### 4.6 Findings of Objective 4

#### 4.6.1 Category of Employees are Prone to High Labour Turnover

Categories of employees prone to high labour turnover were identified against which the respondents were requested to indicate the extent to which they applied to them in their company.

#### 4.2.15 Category of Employees who Left the Company in the Last One Month

Respondent were asked to state which category of employees mostly left in the last one month. The results are shown below in Table 4.12.

Table 4.12: Category of Employees who Left the Company in the Last One Month

Category	Frequency	Percent
General workers	37	37.4
Supervisors	29	29.3
Middle level managers	20	20.2
Senior managers	13	13.1
Total	99	100.0

Source: Field data

From the above findings, the study showed that, high rate of labour turnover is recorded, among lower cadre employees as compared to those in senior management. There is need therefore, to address the causes of this situation, and recommend appropriate solutions. The fact that a high rate of labout turnover is experienced at loer levels does not mean that a turnover rate among senior management should be ignored. Indeed, there is need to look at the cause of the problem at all levels since all levels of management are complimentary to each other in realization of company goals.

### 4.6.2 Effects of Employees Leaving the Company

In the study respondents were asked if there were any effects after some employees left. The results are shown below in Table 4.13.

**Table 4.13: Effects of Employees Leaving the Company** 

Effects	Frequency	Percent
Remaining employees are overworked	43	43.4
Loss of motivation on remaining employees	19	19.2
Underperformance in most departments	11	11.1
No effect at all.	26	26.3
Total	99	100.0

Source: Field data

From the findings, it emerges that, whenever employees leave, there are several negative effects on both the company and the employees which need to be addressed. In essence, these findings reveal a myriad of effects as a result of labour turnover. Therefore what is required is the need to keenly analyze these effects at both individual and organizational level and come up with a solution. Failure to do so may not augur well for the stability of the farm industry. Similarly, it should be noted that if an individual fails to perform, then the company would also have failed since there is no company achievement without individual achievement.

## 4.7 Discussion of Findings

After analyzing the findings of the research, several issues came out. The discussions of these findings are in concurrence with previous studies conducted by other scholars and researchers. From the findings regarding the level of labour turnover, it is clear that is there—is a high rate of labour turnover in the industry. This is at the rate of 43.4. % of employees who left the company in the last one year. This finding confirms the position of Elippo (1984) who asserted that the movement into and out of an organization by the workforce is an index of the stability of that force. He further asserts that excessive movement is undesirable and expensive. This therefore means that the industry is unstable and the factors that causes labour turnover need to be addressed.

#### 4.7.1 Employees who will Leave Given a Chance

On the issue of employees who would leave if given a chance 42.4% answered in the affirmative. This shows the high level of uncertainty among employees and the and lack of job security in the sector. It is because of such uncertainty that a high

percentage of workers are ready to leave. These findings concur with the position of Mobley (1997as presented in the conceptual framework of this study. According to Mobley at any given time, employees are always assessing possibilities of getting alternative employment, and if any opportunity presents itself at any given time, they will quit. Similarly, the finding confirm the views of Wood (1995). According to him, there is no career structure for most employees in farm industry, and that jobs there are perceived dead, making them less likely to attract long stay recruits. It further validates his views that farm industry is perceived as a pass through industry where many of its workers pass on their way to other industries.

According to Hinkin and Tracey (2000), high employee turnover rates are not country specific but it is a worldwide problem. In the findings, it was established that 43.4% of workers left the company in the last one year. This is an indication of a consistently high rate of turnover in the industry. The findings of this particular issue resonate with the views of Taylor (2002) who asserted that some jobs are intrsincally more attractive than others. In addition, he says that a job including its repetitiveness, danger, perceived importance and capacity to elicit a sense of job status is also important. In this study, it has emerged that workers view employment in farm industry as less important compared to other sectors.

#### 4.7.2 Reasons Why Employees Left the Company

In the cause of the study, respondents were asked if they knew the reasons why their colleagues left. From the various answers given, only 30% worked up to their retirement age .The majority left the company for various reasons with resignation at 26.3%, dismissal at 19.2% and those who left on health grounds was 24.2% .The fact

that majority of workers left before attaining retirement age is an indication that there are serious underlying problems in the sector which need to be addressed.

These findings are in concurrence with the views of price (2007). According to him, employees bring expectations into work place and if those expectations are met then they will be satisfied and committed hence, likely to remain with the organization. On the other hand, if their expectations are not met, they will quit .It is therefore not surprising as per the findings of this study that a number of workers left this industry. In fact according to Price (2007) it is assumed that there is exchange of benefits between the employer and the employee; i.e. an employee gives services while the employer compensates them.

In the study, respondents were asked what the company should do to reduce the number of staff leaving. From the findings various, solutions were provided. They included increase in salaries, offer of training opportunities, promoting deserving employees and payments of acuminated salary arrears. These findings provide a clear picture of pertinent problems facing the sector and which need urgent attention. It is also clear that not a single solution will solve the underlying problem. These problems need to be handled from a holistic point of view. To some extent; the findings on this issue resonate with the views of Lawler (1990) who maintained that fair compensation is stressed as a strategy to curb labour turnover in the industry.

According to him, the key issue in the retention is the amount of total compensation relative to levels offered by other organizations. He asserted thus "organization that has high levels of compensation have lower turnover rates and higher number of

individuals applying to work for them. He further argued that high wage workers workplace may create a culture of excellence. A critical look at the finding, show that there are other factors contributing to labour turnover hence increase of salaries alone will not solve the problems. All the factors mentioned as cause 0f labour turnovers need to be specifically addressed. According to smith (2001) "money gets employee in the door but it doesn't keep them there".

One of the other suggested solutions was offering of training opportunities. According to Werther and Keith (1996) training and development teaches existing employees knew knowledge, skills and abilities .to ensure their continued usefulness to the organization and meeting their personal desire for advancement. The two authors further assert that the employer must be committed to training and development of the staff and show this by releasing employees from regular work to allow them to train and even sponsor them where possible.

. Another major cause of labour turnover according to the findings was non-payment of accumulated salary arrears hence the and Hogan (2009) who predicted that external employment opportunities have a direct positive effect of turnover intent. The same sentiments are held by Trever (2001) who stated that employment opportunities are important because the ability to find a new job affects peoples turnover intentions. The findings are also in agreement with the position taken by Lambert (2009) who said that most employees are rational economic creatures who will not quit their jobs without feeling confident that they be able to find a similar or better paying job.

#### 4.7.3 What the Company is Doing to Address Employee Concerns

At another levels, workers were asked if the company is doing enough to address their concerns at their work stations. A high rate of 55.6% of employees agreed that much was being done to address the issues affecting them. This is compared to a low rate of 12.1% who disagreed. This findings reveal that the problem of labour turnover is already known by both workers and the management ,and what is therefore required is to find a lasting solution.

### 4.7.4 Category of Employees who Left the Company

During the study, workers were asked to state the category of employees who were prone to labour turnover. The findings reveal that lower cadre employees are mostly affected by the problem of labour turnover at 37.4 % What this means is that although this workers are in one and the same company ,there are different factors affecting them depending on one's position or rank .This finding show that the lower the rank ,the more likely one is likely to move out ,and the higher the rank or seniority the ,more one is likely to continue staying at the company. This concurs with the views of Browhell and Judi (1988) who said that employees are confronted with continuous crisis and a great deal of daily uncertainties.

That the problem of labour turnover is common among low cadre workers also reinforces the position of Lashley (2000) who asserted thus "They also experience jobs that are tightly controlled, routine and monotonous". And as wood and Macaulay (1991) put it. "Their role as workers demand that they present an appropriate emotional response regardless of the circumstances". In the study respondents were asked to state effects of employees leaving the company.

#### 4.7.5 Effects of Labour Turnover

The findings reveal a multiplicity of effects on the worker and the company. These effects can be explained in relation to the work of other scholars. For example the findings that when some employee leave, the remaining staff lose motivation can be explained in relation to the theory of motivation.

According to the equity theory of motivation, people are motivated in their behavior by the relative rewards they get at work. They are also motivated by the way they are equitably treated at work. So if they are treated unfairly, they consider themselves as victims of Equity. Robbins, (1992). This is also in line with the Herzberg two factor theory (Herzberg 1968) which outlines various variables that influence employee performance as outlined in the theoretical framework of this study.

#### 4.7.6 Possible Solutions of the Problem of Labour Turnover

In the finding workers suggested promotion of deserving employees as a way of managing labour turnover in the sector. The finding corroborates the views of price (2007). According to him promotional chances are the degree of potential occupational vertical mobility within an organization. Therefore if there are no promotional chances, this is likely to result into labour turnover because of lack of job.

Whereas money in form of increased salaries was cited by workers as a way of mitigating labour turnover, a position shared by price (2007) it should not be the only factor. According to Hay (1999) although money cannot be ignored, it should not be the primary mechanism to attract and retain talent because employees who come for money will leave for money.

The contrasting views taken by the two scholars, price (2007) and Hay (1999) is a clear indication that the problem of labour turnover in farm industry requires a multidisciplinary approach. According to Lawler (1990), many companies have done a very good job of retaining their employees without any pay based retention incentives but concentrates on other human resources practices. Further findings of the research reveal that provision of training and development programmes will assist in the mitigation of labour turnover in farm industry. This was said by several employees interviewed during the study.

These findings are similar to the views of smith (2001) who state thus "make no mistake about it. All organization will do a better—retention job by spending more resources on training and development. A business that provides education and training—will be more productive and will win the loyalty of its workforce". The importance of training in the retention of employees is further reinforced by Meyer at, (2003) who asserted that training can be a particularly strong retention tool when it is combined with measures designed to allow people to develop and progress within a company.

## 4.8 Summary of Data Analysis

From the above data analysis and discussion of findings the following can be observed are problem of labour turnover is being experienced in the farm industry at high rate...... in turn affects the stability and growth of the industry. However there is a glimpse of home since stakeholder's management and employees are already aware of the problem and have put in place mitigation measures to address. Its findings also reveal that labour turnover is not caused by a single factor. Rather it

is caused by a combination of factors, some attributed to individual employees and some to organization.

Again findings have confirmed that problems facing organization cannot be solved by the management alone rather it requires combined efforts of both workers and management. A very important lesson from findings is that all employees of whatever card should not be sidelined in the management of an organization. Lastly the findings have identified some tangible of labour turnover if implemented is likely to mitigate the problem not only in the industry but in other sectors as well.

#### **CHAPTER FIVE**

#### CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Summary of the Conclusions

A careful review of the findings and analysis of the study presented in chapter four reveals several issues. These issues as summarized in this chapter are in conformity with the research objectives of the study. On the issue of employees leaving the company, it was established that the rate of employees who leave the company in one year is very high. This therefore confirms the high rate of labour turnover in the farm industry which needs immediate solution. Further, it is revealed that a significant population of employees is willing to quit immediately if given a chance, as compared to only 13% which is not ready to leave. It can therefore be concluded that there is need to put some mechanisms in place to solve this problem in the industry.

On the issue of what should be done to manage labour turnover in farm industry, it is clear that employees could contribute a lot if given a chance to participate. It can therefore be concluded that it is necessary to consider workers in the process of looking for solutions to labour turnover. Again from the findings, it is clear that there are several factors that lead to labour turnover in the farm industry. Some of these factors include low salaries, long working hours, non -payment of overtime and poor working conditions.

As to whether the company is doing enough to address the concerns of employees, the findings show that indeed the company is aware of the problem. We can therefore conclude that the problem of labour turnover in the industry is already recognized, and it is being addressed. On the issue of effects of labour turnover, the findings indeed confirm that there are several negative consequences on the part of both the employee and the organization. Some of these effects are overworking, lack of motivation and underperformance. As per the research objectives of the study, these problems need to be addressed if the farm industry is to survive and grow. On the category of employees who frequently leave their jobs, the findings reveals that majority of lower cadre employees leave compared to those in management.

On the issue of work related factors causing labour turnover as stated in one of objectives, the study has confirmed the following as some of the factors at play:-unfavorable working conditions, long working hours, minimal pay, unpaid overtime, lack of training opportunities and unfair promotion procedures. The following conclusions can be made from the above discussions. Employees with lower levels of education are the ones mostly affected by labour turnover. The other conclusion is that the working environment in the factory under study is not conducive for workers to perform their duties effectively.

The ultimate goal of any organization is to manage retention by developing and maintaining a very low turnover rate. This can be done by introducing the concept of setting targets for turnover for a particular group. This study confirmed the ILO report (2001) that any human resource management programme in recruitment, selection, training, development and reward systems result in organizational benefits. The conclusion here is that the working conditions in the industry are not in conformity with international labour standards.

Another important issue captured in the findings off the study is the duration that employees stay in employment. The fact that 40% of employees had worked in the company for only 1 year is a clear testimony that majority of employees were newly recruited, hence the need to identity what causes them to leave and come up with the credible solution. On the issue of why employees leave, it was concluded that majority of employees leave because of resignation, dismissal and healthy grounds as compared to very few who work up to retirement. This means HR, healthy/safety issues and IR need to be tackled in farm industry. It is therefore concluded that several workers are constantly moving out of the company while others are constantly coming in.

### 5.2 Policy Recommendations of the Research

At the end of this study, several recommendations were made. First and foremost, it was recommended that pay to employees should be reviewed upwards to reflect the market rates. This should confirm to the principle of equal pay for equal work. The study also established that lack of sharing decision making between employees and management was a cause of labour turnover. We therefore recommended that the management should introduce and maintain harmonious IR by supporting workers union within the company.

On the issue of overtime, it was established that employees are overworked and not compensated adequately. The study therefore recommended the pay of overtime for employees who work out of their normal working hours. At a certain level, the study revealed that lack of training opportunities and clear promotion procedures as a cause for employees leaving the company. Consequently, it is recommended that training

and career development policies be developed and eventually implemented. Another recommendation is that clear promotion procedures should be established.

The study established that turnover rate was high among staff especially farm workers, as compared to management. The study thus recommended an in house motivation programmes for this category of workers in order to retain them. On long working hours it is recommended that management should adhere to official maximum working hours as prescribed in the labour laws and other relevant legislation. On poor working conditions, it was established that several employees lack protective gear yet they perform risk related tasks. We therefore recommend that management should avail such gear where applicable.

The study further recommends that management should ensure that employees are subjected to individual medical checks in order to protect them from occupational hazards. We also recommend the clearing of salary arrears in order to enhance motivation and commitment on the part of employees. We further recommend that this report should be made available to other stakeholders in the tea industry, and availed to other stakeholders such as FKE, COTU, KTDA, HRM and IHRM for implementation.

Another recommendation is that management should develop and implement a retention strategy that will enable it manage and reduce the high rate of labour turnover being experienced in the industry. This will most likely result into retention of the qualified workforce that they have. It will also save the costs associated with hiring and training of new staff. The retention of staff who have

worked in the company for a long time will result into the growth of positive organizational culture that is good for its stability. In order to offer the required training and development programme for its workers, it is recommended that the farm should thrive to have a sustainable budget for its training needs. This will ensure that workers are continuously trained and in turn inject new ideas and skills in the running of the organization.

On the issue of salaries, it is recommended that the company should review its salary structure and come up with competitive salary packages for its workers. The new salary packages should be similar to those paid by other players in the market. This will reduce the problem of workers scouting for greener pastures in alternative organizations. To motivate its workforce, it is also recommended that the company should consider introducing incentives such as bonus payment for recognized good performances. This can be in form of rewards, presents or cash payment.

#### 5.3 Recommendation for Further Research

This study was done to determine causes of labour turnover in farm industry, with specific reference to Tea Industry. It is therefore recommended that similar or other studies be conducted on other sectors for comparison purposes. We also recommend that further research be conducted in other parts of the country to see if they will reveal results similar to those of this of this study. It is further recommended that more studies be conducted out of Kenya, to see if factors affecting farm industry are the same as those in Kenya. Finally, it is recommended that researchers and other players both in the private and public sector should adopt and implement the findings of this study.

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## **APPENDIX**

A	T .	A	•
<b>Appendix</b>	I:	Question	ınaıre

I am conducting a study on causes of Labour turnover in tea industry. The study is
meant to find out why employees leave their jobs in large numbers, and how it can
be addressed.
Information you give will be treated in confidence. You don't need to indicate your
name.
Your cooperation will be appreciated.
PART I: GENERAL INFORMATION
Tick the correct answer
Gender MALE FEMALE
AGE
Level of education
Primary
Secondary
Collage
University
Rank/Position

## **PART II**

Please tick in the box to indicate your response to the question

## <u>Q1</u>.

### **KEY**

1 = 10-15 employees

2 = 20-25 employees

3 = 30-50 employees

4 = 50 and above employees

5 = None at all

FACTOR	1	2	3	4	5
How many of your colleagues have left the					
company in last one month					

## Q2

## **KEY**

1 = Immediately

2 = May be

3 = Not at all

4 = Will depend

FACTOR	1	2	3	4
Given any opportunity, will you consider leaving				
your current job				

## Q3.

Rank the following factors in terms of what you think your organization should do to reduce the number of staff leaving their jobs

### **KEY**

= First priority

= Second priority

= Third priority

= Fourth priority

= Fifth priority

FACTOR	1	2	3	4	5
Increase salaries					
Offer training opportunities					
Promote deserving employees					
Pay up salary arrears.					

## Q4.

Do you have any idea why your colleagues left the company?

#### **KEY**

1 = Low salaries

2 = Long working hours

3 = Poor working conditions/ lack of protective gears

4 = Non-payment of overtime worked

5 = Lack of training opportunities

1	2	3	4	5

## Q5

Do you think the management of your company is doing enough to address your concerns in question 4 above?

### **KEY**

5 = Strongly agree

4 = Agree

3 = Neutral

2 = Disagree

1 = Strongly disagree

1	2	3	4	5

## Q6.

Are there employees who have left the company in the last one month?

### **KEY**

1 = more than half of the employees

2 = less than half of the employees

3 = Considerable number leave monthly

4 = none at all

5 = Unknown number

1	2	3	4	5

## Q7

When some employees leave the company, what effect does it have?

## KEY

1 = remaining employees are overworked

2 = loss of motivation on remaining employees

3 = underperformance in most departments

4 = no effect at all.

1	2	3	4

## Q8

For employees who left in the last one month, in which category do they belong?

### **KEY**

1 = general workers

2 = supervisors

3 = middle level managers

4 = senior managers

1	2	3	4

For how long have you worked for this company?

### **KEY**

- 1 = 1 year
- 2 = 2-3 years
- 3 = 3-5 years
- 4 = more than 5 years

1	2	3	4

## Q10.

Employees who leave the company give the following reasons for leaving?

## KEY

- 1 = Resignation
- 2 = Dismissal
- 3 = Health Reasons
- 4 = Retirement

1	2	3	4