



FACTORS INFLUENCING HIGH LABOUR TURNOVER IN ANTI-COUNTERFEIT AGENCY, KENYA

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**ABSTRACT**

The purpose of the study was to establish the factors influencing high labour turnover in Anti-Counterfeit Agency. The study sought to establish if leadership, human resource policies, reward management and work environment lead to high labour turnover. The study comprises of chapters one, two, three, four and five. Chapter one deals with the introduction of the study; background, statement problem objective of the study and generally gives the direction of the study in terms of what the researcher wants to study. Chapter two which is literature review focuses on theoretical rationale of the study and further establishes empirical review of the study. Chapter three which is research methodology describes the research design and methodology. These are the steps taken in the data collection, and analysis. The chapter highlights the research instruments which the researcher incorporated in the study. In addition to that, the sampling design and the data collection procedures are important components of a research are also contained in this chapter. This section of the study describes the research design, the target population and the sampling method, procedure of data collection and data analysis in totality. The target population is composed of 53 employees working at headquarter. Due to this number, the study used census technique for sampling. Data was collected from respondents using questionnaires and cronbach alpha coefficient was used to test reliability. Data was analyzed using statistical package for social sciences (SPSS Version 21.0). Results obtained are presented in tables to aid in the analysis and ease with which the inferential statistics will be drawn. Chapter four deals with data analysis, presentations and interpretation of findings and chapter five deals with summary of findings, presentations, conclusion and recommendations.

*Key Words: Labour Turnover, Leadership, Rewards Management, Work Environment*

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## INTRODUCTION

Talent management can be defined as the use of an integrated set of activities to ensure that the organization attracts, retains motivates and develops the talented people it needs now and in the future (Armstrong, 2006). Hence labour turnover is encompassed in talent management. Thus according to Palin (2009) Labour turnover is the rate at which an employer gains or loses employees. Consequently, it is concerned with the issue and interest in measuring such movement and only arises when working for an employer (rather than self-employment in craft or agricultural production) became the norm (Heize, 2012). Turnover can affect any organization from the NGO to profit making organization and also government entities. When employees leave a job or are let go, the individual workers are not the only ones who suffer the consequences. Organizations must go through the process of recruiting and paying new employees to replace those who leave or who are dismissed. In some cases, high turnover rates are directly attributable to management. In other cases, factors beyond management control are responsible (Sanford, 2009)

The preoccupation of most organizations whether private or public has been profit maximization, cost reductions and more efficiency. In the service industry the human resource activities aim is providing better services at reasonable costs. Organizations are about people and about the way people behave and interact with each other in groups. They are about the attitudes, the aspirations and the

motivation of purpose in work situations (Armstrong, 2006). This is pretty the same in government run agencies.

Labor turnover is typically measured in terms of the separation rate in the united states.(quits, layoffs, and discharges per 100 employees on the payroll). The aggregate data on turnover among U.S. workers is available from a series of studies focusing almost entirely on all sectors of the economy. According to the series, it shows high rates of labor turnover (annual rates exceeding 100%) in the early decades of the twentieth century, substantial declines in the 1920s, significant fluctuations during the economic crisis of the 1930s and the boom of the World War II years, and a return to the low rates of the 1920s in the post-war era. Firms and state level data (from the late nineteenth and early twentieth centuries) also indicate that labor turnover rates exceeding 100 were common to many industries and sectors of the economy (Don, 2010).

The Anti-Counterfeit Agency was (ACA) was established by the Anti-Counterfeit Act, 2008 under the Ministry of Industrialization at that time. This Act of parliament was enacted to prohibit trade in counterfeit goods. Organizations and regulatory bodies came together in the spirit of the Act to consolidate efforts and promote inter-agency corporations to fight this thriving trade, through the formation of the Anti-counterfeit Agency (ACA). The Anti-Counterfeit Agency (ACA) is the engine in the fight against counterfeits. The Agency become operational in June 2010. With a total number of fifty five (55) employees .IT

has three departments namely: finance and Administration; Research and Awareness and Enforcement and Legal Services. The vision of the Agency is to be the global leader in combating counterfeiting while it's mission is to combat counterfeiting and prohibit trade in counterfeit goods through training, research, consumer awareness and co- ordinate with national, regional and international organizations in the effective enforcement of intellectual property. The Agency is located at Tel Posta Towers

### **Statement of the Problem**

Human resource is one of the most valuable resources of an organization and indeed an organization is nothing without human resources. This applies to all organizations and educational institutions. Getting and keeping good people is critical to the success of every organization. Maintaining employees is about providing working conditions that are worker friendly, involvement in decision making, good salaries, recognition for good performance and so forth. The Agency was established under the Ministry of Industrialization then in 2010 to combat counterfeiting and prohibit trade in counterfeit goods in the effective enforcement of intellectual property rights.

The Agency has witnessed unprecedented labour turn over from 2010 to date. According to the human resource department staff exit records , twenty (20) employees have left the Agency since its inception and 12 of them have been of top management level and the rest split equally between the middle level and operational level of management. All who have left

were the pioneers who started the Agency. Losing high level staff in an organization is very disturbing and also a very expensive affair in the long run. The cost of replacing one staff is approximately 20 percent of the salary for an average \$50,000 a year job (Hawkins K., 2011).

According to Chapman (2012), many companies are increasingly finding it difficult to retain employees. Turnover is becoming a serious problem in today's government agencies (Okello, 2014). Turnover costs for many organizations are very high and can significantly affect financial performance of an organization.

The employee turnover at the Agency stands at 37.74% over a period of less than four years. Despite the efforts made by the Agency to recruit and retain more staff, the labour turnover continues to increase in the Agency in an alarming manner. Thus it's upon this research to find out what is influencing this high labour turnover in the Agency.

### **The objectives of the study**

The key objective of the study was to determine the factors influencing high labour turnover in Anti- Counterfeit Agency. This was supported by the other objectives that, to examine whether leadership, to assess the effects of organization human resource policies, to establish the relationship between reward management and high labour turnover and to assess the impact of work environment on high labour turnover in ACA.

### **Research Questions**

- i. Does leadership affect high labor turnover in ACA?
- ii. What is the effect of human resource policies on high labour turnover in ACA?
- iii. What is the relationship between reward management and high labour turnover in ACA?
- iv. In which way does work environment impact on high labour turnover in ACA?

### **Scope of the Study**

The scope of the study was to find out the factors influencing high labour turn over in Anti-Counterfeit Agency. These factors include leadership, work environment, reward management and human resource policies. The study was carried out within the Agency located in Nairobi Central Business. The target population was fifty three (53) employees. The research took three months for its completion,

### **Theoretical Review**

#### **a) Theory X and Theory Y**

Management style is strongly influenced by someone's beliefs and assumptions about what motivates members of a team: If team members dislike work, a manager will tend towards an authoritarian style of management; On the other hand, if there is an assumption that employees take pride in doing a good job, a manager will tend to adopt a more participative style of leadership (Coventry, 2007). Theory X assumes that employees are naturally unmotivated and dislike working, and this encourages an authoritarian style of management. According to this view,

management must actively intervene to get things done. This style of management assumes that workers: Dislike working. Avoid responsibility and need to be directed. Have to be controlled, forced, and threatened to deliver what's needed. Need to be supervised at every step, with controls put in place. Need to be enticed to produce results; otherwise they have no ambition or incentive to work (Sagemo, 2006).

X-Type organizations tend to be top heavy, with managers and supervisors required at every step to control workers. There is little delegation of authority and control remains firmly centralized and this never go well with all the staff in an organization. McGregor recognized that X-Type workers are in fact usually the minority, and yet in mass organizations, such as large scale production environment, X Theory management may be required and can be unavoidable (Juan, 2005). Theory Y expounds a participative style of management that is de-centralized. It assumes that employees are happy to work, are self-motivated and creative, and enjoy working with greater responsibility. It assumes that workers: Take responsibility and are motivated to fulfill the goals they are given. Seek and accept responsibility and do not need much direction. Consider work as a natural part of life and solve work problems imaginatively. This more participative management style tends to be more widely applicable. In Y-Type organizations, people at lower levels of the organization are involved in decision making and have more responsibility. (Nick and Nelson, 2007) Thus the type of management style used by an organization

will affect the labour turnover rate in that organization (Teine, 2008).

### **b) Human Capital Theory**

From an organizational perspective, the human capital theory posits that in a perfectly operating labor market, organizational productivity increases as individuals become more highly trained. The overall link between training and development to productivity at the workplace is based on a concept referred to as factor pricing, (Maglen, 2008).

Human capital theory posits that organization specific training, such as in the events of changes, is likely to increase the organization's long term results on their training investment. The employees are more likely to have a better understanding of the structures resulting from the change and will use them appropriately to ensure productivity to the firm (Bosworth, Wilson &Assefa, 1993). Hence, Maglen (2008) asserts that this leads to employees' satisfaction and will also reduce labour turn over.

A proper investment in training and development by an organization on its employees increases their understanding of their duties, tasks and obligations. Training also opens up avenues such as cooperation and collaboration within employees in doing their work. This, based on the human capital theory, results in both individual and firm-wide productivity (Juan 2010).

### **c) Hierarchy of Needs Theory**

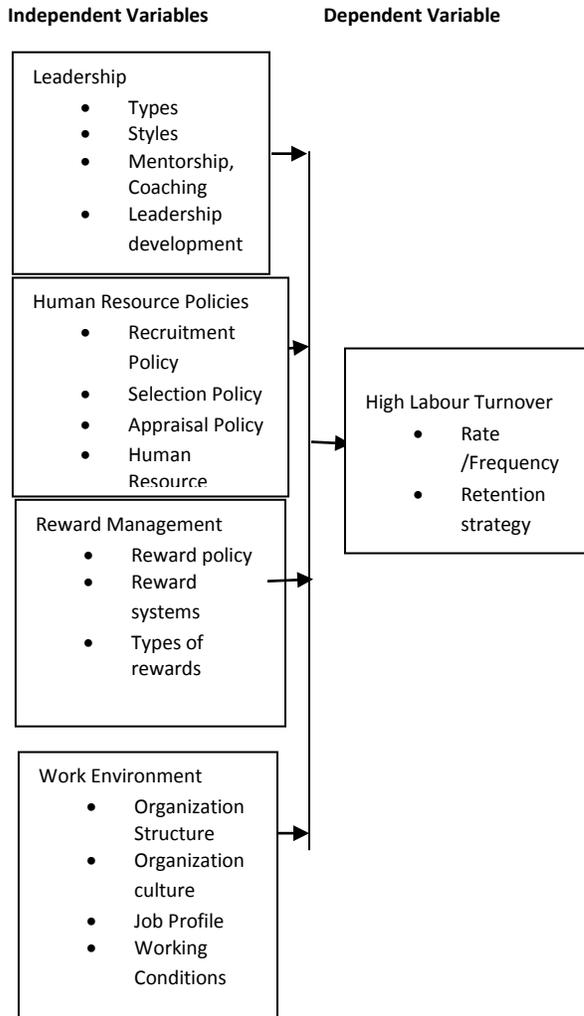
Abraham Maslow's hierarchy of needs theory places employees' needs into five progressive categories, beginning with basic physical needs and progressing up to needs

for personal growth and career development. Maslow claims that employers must meet each level of employees' needs for employees to truly commit themselves to workplace goals. Failing to meet employees' needs at any level in the hierarchy can create a lack of fulfillment in employees' professional lives, causing them to eventually try to fulfill these needs on their own, possibly by finding a new employer who provides better opportunities to satisfy their needs (Juan, 2010)

### **d) Expectancy Theory**

The expectancy theory puts forth the premise that employees will put forth an amount of work and commitment equal to what they expect to receive in return. Commission compensation structures leverage this theory by allowing employees to earn as much money as they desire, completely based on their job performance. Making sure that employees always expect future pay raises and potential job promotions can keep them working hard to achieve personal goals. If employees expect little compensation and no growth opportunities in return for their work, they may put forth only minimal effort until they eventually look to a new employer for new opportunities (Heize, 2009).

## **Conceptual Frame Work**



**Figure 1:** Conceptual Frame Work

**Leadership**

They are different kinds of leadership, autocratic, democratic and laissez faire, these types of leadership will eventually affect the leadership style of the management in an organization and eventually the labour turnover. The quality of leadership will also affect the leadership style, thus poor, good leadership will affect labour turnover. Hence the perception of a leader from his followers’ point of view is

very important in the reduction of the degree of labour turnover.

According to Nwagbara (2011) without shared leadership organizations experience high labour turnover. Shared leadership is about collaborative, participatory leadership that takes employees’ views and interests on board in decision-making and leadership process. Labour turnover is the movement of people (employees) into and out of organizations. Thus, he argues that if the interests and opinions of employees are not considered in organizational decision-making process and leadership, they will feel disenchanted as well as alienated from the organization’s leadership which will eventually lead to labour turnover.

**Human Resource Policies**

New-hire orientation and skills training are two required components of job preparation for which employers are responsible. Job preparation begins with the initial step in training during new-hire orientation hence the need for HR Policies and manuals that support good job orientation. Employees who start new jobs without any kind of orientation or training are often unaware of workplace policies and processes that would benefit their job performance. Additional training throughout the employment relationship keeps employee skill sets up-to-date and enables a more productive and efficient workforce. When employees lack the training necessary to become more productive, their performance suffers and they will either leave of their own volition for jobs that provide training and employee support or they will be terminated for poor

performance (Mullins, 2011) thus human resource polices will affect labour turn over.

## **Empirical Review**

### **Leadership**

According to Nwagbara (2011) without shared leadership organizations experience high labour turnover. Shared leadership is about collaborative, participatory leadership that takes employees' views and interests on board in decision-making and leadership process. Labour turnover is the movement of people (employees) into and out of organizations. Thus, he argues that if the interests and opinions of employees are not considered in organizational decision-making process and leadership, they will feel disenchanted as well as alienated from the organization's leadership. This will in the final analysis cause them to leave for greener pastures. Also, he affirms without shared leadership, organizations will have to grapple with challenges of high labour turnover as employees would tend to leave the organization as their views and welfare are not being taken into consideration. Thus high labour turn over will always be affected by the kind of leadership the organization is keen to undertake.

Leadership training, employee development and professional-level seminars and workshops demonstrate the employer's interest in tapping current human resources for higher-level roles within the organization through promotion-from-within policies and succession plans (Kent 2009). Ineffective leadership results from employers' failure to provide support for employees who demonstrate aptitude and interest in promotional opportunities.

Promoting employees without the benefit of basic leadership training puts the employer at risk for high turnover and low productivity. It's akin to setting the supervisor up for failure and it jeopardizes employee-supervisor relationships. For example, an employee receiving a promotion based on job competency alone may not have the skills necessary to manage employees who now report to her/him (McCarthy, 2012). Leadership training and employee development can help the new supervisor understand how to balance dual responsibilities – managing department functions and managing people. Without leadership training, however, the supervisor can fail because he did not receive the training he needed and employees who report to him suffer because of potentially poor employee-supervisor relationships. (Jobber, 2008)

### **Human Resource Policies**

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support or they will be terminated for poor performance (Mullins, 2011)

Success in the field of human relationships in the world of work stems from good human resources management (HRM) policy, practice, and effective personnel functions (Mullins, 2011). Whatever the nature of the work an organization achieves, it results through the work activities of people in the organization that they have been provided for by the policies and practices of HRM guiding their respective activities in a clear and directional manner. Therefore, HRM practices are reflections of policies put in place to guide employees in the course of taking action or decision that will direct the activities which have consequences on the overall behavior in the organization. The personnel functions are compressed in the term HRM. For Kenyan manufacturing organizations to survive in a global economy in this present millennium, they need to design effective human resources management (HRM) practices that encourage the retention of high performing employees, particularly among employees with core skills and should develop competitive practices to retain them. This must not be left at the door step of the personnel department only but should be seen as responsibility to be shared by other units in the organization (Daly, 2012).

### **Critique**

The literature review talks about all independent variables being the factors affecting the dependent variable, though it does not highlight the exact Kenyan situation viz a via turnover in parastatals and specifically Anti Counterfeit Agency. In

as much as the review is relevant, there is no literature review that touches exactly on Anti Counterfeit Agency. It is also clear that many organizations do not disclose reasons for their high labour turnovers.

Leadership is an essential part of any organization. Though the different kinds of leadership can not guarantee labour turnover rates decline. The literature review affirms that different kinds of leadership styles suits different kinds of organization. Whereas that is right, the review does not give us the exact leadership style to be used to lower down the labour turn over at the studied organization.

Human resource policies are vital for an organization human resource management, growth and development. It is evident that policies associated with human resource management affect labour turnover, whereas that is true, the literature does not give us the specific policies that affect the organization under study and hence the review ought to have established this in totality. That said the research has endeavored to establish that human resource policies affect high labour turnover in the stated organization or similar agencies

### **Research gaps**

With the fact that there is high labour turnover in the Agency, the questions of why is very valid. There are reasons as to why this rate in increasing. The review affirms that leadership, work environment, human resource policies and reward affects the turnover rate. It is upon this study to establish whether the variables also affect Anti- Counterfeit Agency in Kenya.

Most studies cited have been done outside Kenya and have been conducted in western economies like the in USA, UK, India, Australia and Other parts of Europe. Only a few appear to have been conducted in East Africa especially with Kenya as the focus. The researcher feels that a study in context of Kenya will give a different insight of the factors influencing high labour turn over. The research gap seen on this study is the literature gap. Hence this in reflection of the statement of the problem affirms that there is a problem of not knowing the factors influencing the high labour turnover that needs to be addressed and after solving the problem, the gap will automatically be filled.

## **RESEARCH METHODOLOGY**

### **Research Design**

The study basically utilized descriptive research method, which is the most applicable for the study, as the study focused on describing independent variables. This scientific method of investigation involves collection and analysis of data in-order to describe a phenomenal in its current condition or status. This is because, it was time saving, it was also possible and easy for the researcher to obtain current factual information from the employees working in the organization; and it was a cheaper method of studying the organization and coming up with accurate and deeper findings (Mugenda and Mugenda, 2006)

### **Target population**

Population is the totality of elements that has one or more characteristics in common (Berg,2009). The researcher choose Anti

Counterfeit Agency to efficiently and effectively accomplish an in-depth study of the topic understudy. The population there is 53 employees. This is inclusive of top, middle and lower level of management (ACA, 2014).

### **Sample and Sampling technique**

A sample is a limited number of observations selected from a population on a systematic or random basis, which (upon mathematical manipulation) yield generalizations about the population. Sampling is a procedure of data collection where a few units from the whole population are collected and the results obtained from these few units generalized for the whole population (Butin, 2009). The study used 100% of the target population which was 53 employees to effectively and efficiently sample the population without biases because the population was relatively small.

### **Data Collection and Instruments**

For the collection of data a questionnaire was used. A questionnaire is a collection of questions to which a research subject is expected to respond. This instrument can be administered orally as the researcher records the responses to each item independently. In the study, the researcher had drafted several questions in the questionnaires. They were given to different personnel in the organization visited who thereafter gave back the necessary information and details (Kenp, 2007)The advantages of using questionnaire is that this method is inexpensive to some because once the questionnaires are given to willing respondents, the researcher will wait for the respondents to give

information back in their own time. Some respondents might give the feedback immediately; It also enables the researcher to make extensive inquiry which was put on the questionnaires; Respondents who are not easily approachable could easily be contacted; Greater number of respondents can be reached who are far from the researcher's centre of operation; Some respondents in the field are very busy that they cannot give all the required answers or information on the spot. More so they need time for their own issues before giving back a detailed response to those questions in the questionnaires (Kent, 2006).

#### **Data Collection Procedure**

There were two types of data that the researcher used in the study. These are: the primary data; and the secondary data. For primary data, the researcher was able to collect first hand information from the organization selected. The researcher used questionnaires to collect the primary data from various personnel. The primary data was efficient to the research because was reliable and accurate. The information collected was relevant and very useful in the study. The secondary data was also very important in the study this was obtained from exit interview forms from HR offices; the study also collected important information from the library books, annual reports of the organization (Mugenda and Mugenda, 2006).

#### **Data Processing and Analysis**

The researcher collected data in large quantity which was organized in such a way that further analysis and interpretation of data was made easy. The data was edited, coded and classified so as to present the

results of the data analysis in a systematic and clear way. The researcher used the descriptive statistics and integrated both the qualitative and quantitative techniques in the data analysis. The researcher aimed at simplifying and making good analysis of the data collected and to make the information easily intelligible. Through the use of pie charts, tables and graphs, the data has been presented diagrammatically. This type of presentation is efficient in that it is easy to depict data more accurately. SPSS version 21 was used to analyze the data. The use of SPSS was sort because it is the best to use when dealing with a social science research and it is more academic in nature compared to other data analyses softwares. Inferential statistics was also used which included measure of Central Tendency (i.e. mean, median, or mode) and regression analysis.

### **FINDINGS AND DISCUSSIONS**

#### **Response Rate**

The survey questionnaire was administered to the respondents directly. The study achieved a response rate of 83.01% with 44 respondents reached, out of the 53 targeted.

#### **4.3 Reliability**

To determine the reliability of the questionnaires used in the study, a pilot study was carried out and the reliability evaluated through Cronbach's Alpha, a statistical measure of internal consistency. The study benchmarked the reliability alpha levels established in the study against Nunnally's (1978), who put the Alpha value threshold at 0.6. Cronbach Alpha was

established for every objective in order to determine if each objective would produce consistent results should the research be done later on.

From the findings in table 1, all scales were significant, having an alpha above the prescribed threshold of 0.6. Leadership ( $\alpha=0.798$ ), while Human resource policies had ( $\alpha=0.723$ ). The questionnaire was thus deemed reliable to be used in the study for data collection.

**Table 1 Reliability Coefficients**

Scale	Cronbach's Alpha	Number of Items
Leadership	0.798	10
Human resource policies	0.723	6

**Demographic Information**

**Gender**

In order to show the gender distribution and parity in the study area, the study sought to determine the respondents' gender. As a result male respondents, 61.4%, registered the most as compared to their female counterparts, at 38.6 %.

**Age of the respondents**

The study further found it necessary to establish the age brackets of respondents working in the organization, so as to ascertain diversity in perspectives and for representability purposes. The results showed that a majority, 71.8% of the respondents were above 30 years of age. This is followed by 23.4% within the 24-29 years category while only 4.8% fall within

the 18-23 years category. It can be deduced therefore that the study reached respondents across different age bracket in the study area, hence diverse perspectives in responses as informed by perspective age brackets and not skewed towards one age group.

**Years worked**

With some level of working experience necessary in establishing the study objectives, the study found it necessary to establish the length of service of the respondents, in years, serving at the organization. It was established that a majority of respondents, 46.1% have worked in the study area for 1-5 years closely followed by 44.9% having worked for between 6 and 10 years while only 9.0% of respondents have worked in the study area for above 11 years. With a majority having worked for over 6 years, responses can be deemed to be informed by adequate experience and hence give a more reliable assessment.

**Education level**

The study showed the academic backgrounds among respondents in their respective positions in their study area, where a majority, 56.5% of respondents indicated having attained University level education, then 27.8% with college level while only 15.7% had attained Secondary level education. Overall, respondents can thus be said to have attained high education levels, hence able to comprehend the survey objectives and give reliable responses.

**Leadership on high labor turnover**

The study sought to find out from the respondents whether or not in their opinion; leadership in the organization affects the observed labor turnover. A series of pertinent questions were thus asked to which respondents were asked to respond. As presented in table 2 below, a majority of respondents affirm that leadership provided by the organization management leads to high labour turnover (70.5%); and that mentoring and coaching affects high labour turnover (75.0%). A majority further indicates that there are no mentorship and coaching program in the organization (84.1%); and that there is no criteria used to pick those who go to the mentorship and coaching program (88.6%). It can therefore be noted from the finding, that a majority of respondents are dissatisfied with the leadership in the organization and they attribute the same to the high turn over observed. Mentorship programmes are also found to be nonexistent or very weak, further contributing to the high labor turn over.

**Table 2 Effects of leadership on high labor turnover**

Question	Yes		No	
	F	(%)	F	(%)
Does the leadership provided by the organization management lead to high labour turnover?	31	70.5	13	29.5
Does mentoring and coaching affect high labour turnover?	33	75.0	11	25.0
Are there mentorship and coaching program in the organization?	7	15.9	37	84.1
Is there a criterion used to pick those who go to the mentorship and coaching program?	5	11.4	39	88.6

### **Extent to which leadership style affect labor turn over**

Respondents were further asked to rate the extent to which the said leadership style affects the high labor turnover in the organization. From the findings a vast majority, 33.9% are of the opinion that the leadership style practiced in the organization contributes to the high turnover rate to a great extent, closely followed by 29.5% indicating that the extent of influence is moderate then 18.8% rating it as to a very great extent. Only 10.5% and 7.3% of respondents rate the extent of influence as low and very low respectively. From the finding, leadership style can be said to greatly contribute to the high labor observed in the organization. To address this issue therefore, there is need to reconsider the leadership style practiced.

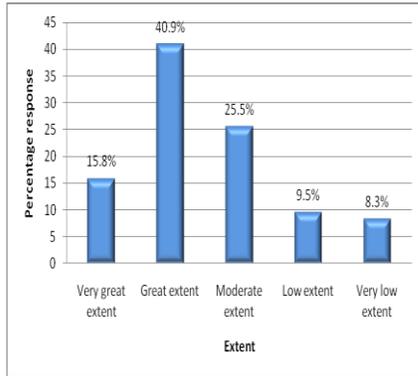
### **Human Resource Polices**

The study also sought to find out from the respondents whether or not in their opinion, Human Resource Polices applied in the organization affects the observed labor turnover. A series of pertinent questions were thus asked to which respondents were asked to respond.

### **Extent to which human resource policies affect labour turnover**

Respondents were asked to indicate the extent to which in their opinion, human resource policies affect labour turnover in the organization. As shown in figure 2 below, a majority of respondents, 40.9%, argue that human resource policies affect labour turnover in the organization to a

great extent. This was followed by 25.5% rating the extent as moderate then 15.8%, to a great extent. Only 8.3% rated the extent to which in their opinion, human resource policies affect labour turnover in the organization as very low.



**Figure 2 Extent to which human resource policies affect labour turnover**

#### 4.5.3 Respondents' satisfaction levels

Respondents were further asked to indicate their levels of agreement with key questions posed on human resource management policies in the organization. This was on a five point likert scale, where 1= strongly disagree; 2= disagree; 3= neutral; 4 = agree; 5= strongly agree. From the finding in table 4 below, a majority of respondents highly agree with all the statements, most notable, that: Human resource selection policy affect labour turnover (4.001); and that salary policy can affect labour turnover (4.476). From the finding, it can be deduced that employee selection and remuneration are the most contentious HR policies in the organization, influencing turnover.

**Table 4 Respondents' satisfaction levels**

	N	Mean	Standard Deviation
Human resource selection policy affect labour turnover	44	4.001	.9431
Appraisal policy affect labour turnover	44	3.713	.5423
Salary policy can affect labour turnover	44	4.476	.8612
Induction and orientation policy can influence turnover	44	3.663	.2610

#### Inferential statistics

The study conducted inferential statistics to statistically establish the relationship between the influencing factors and high labor turnover in anti-counterfeit agency. To this end, both Pearson correlation and regression analyses were performed. While Correlation revealed the nature and degree of association between dependent and independent variables, coefficient of determination showed the expected change in the dependent variable, with a unit change in the independent variables.

#### Pearson Correlation Analysis

Pearson correlation for the relationships between the factors and high labor turnover in anti-counterfeit agency was performed, in which the study established

	H	L	H	R	W
High labor turnover	1				
Leadership	0.734	1			
Human resource policies	0.734	0.643	1		
Reward management	0.734	0.643	0.643	1	
Work environment	0.734	0.643	0.643	0.643	1

strong and positive correlation between factors and high labor turnover. From table 4.9 below, the strongest correlation was obtained between Human resource policies and High labor turnover ( $r = 0.798$ ), and the weaker relationship found between work environment and high labor turnover ( $r = 0.643$ ). Leadership and reward management are also strongly and positively correlated with skilled staff retention at correlation coefficients of  $r = 0.734$  and  $0.749$  respectively. All the independent variables were

found to have a statistically significant association with the dependent variable at 0.05 level of confidence.

**Table 5 Pearson correlations**

**\*Correlation is significant at the 0.05 level (2-tailed)**

**Regression Analysis**

Regression analysis produced the coefficient of determination and analysis of variance (ANOVA). Analysis of variance was done to show whether there is a significant mean difference between dependent and independent variables. The ANOVA was conducted at 95% confidence level.

**Table 6 Model Goodness of Fit**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
0.791	0.653	0.603	0.02843

- a. Predictors: (Constant), Leadership, Human resource policies, Reward management and Work environment
- b. Dependent Variable: High labor turnover

With an adjusted R-squared of 0.603, the model shows Leadership, Human resource policies, Reward management and Work environment explain 60.3 percent of the variance in high labor turnover while 39.7 percent is explained by other factors not included in the model.

**Analysis of Variance**

**Table 7 Analysis of Variance**

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	4.112	3	1.112	8.382	.003a
Residual	10.213	44	.365		
Total	14.325	47			

The P-value of 0.003 implies that High labor turnover has a significant joint relationship with Leadership, Human resource policies,

Reward management and Work environment which is significant at 5 percent level of significance. This also depicted the significance of the regression analysis done at 95% confidence level. This implies that the regression model is significant and can thus be used to assess the association between the dependent and independent variables.

**Regression Coefficients of determination**

To determine the strength of the relationship between the independent variables and the dependent variable and the respective strengths, the regression analysis produced coefficients of determination as presented in table 4.12 below. The data in table 4.11 reveals a positive relationship between High labor turnover and all the independent variables. Taking the regression model:  $Y = \alpha + \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3 X_3 + \epsilon$ ; where, Y= High labor turnover;  $\alpha$  = Constant;  $\beta_1 - \beta_4$  = Beta coefficients; X1 = Leadership; X2 = Human resource policies; X3 = Reward management and Work environment and  $\epsilon$  = Error term, the established regression equation was:  
 High labor turnover = 6.354 + .822 (Leadership) + .944 (Human resource policies) + .839 (Human resource policies) + .839 (Reward management) + .629 (Work environment)

A unit change in Leadership would thus lead to a .822 change in High labor turnover and so on. This implies that among other factors, leadership, human resource policies, reward management and work environment are key determinants of High labor turnover.

**Table 8 Regression Coefficient Results**

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	6.354	.811		2.738	.002
Leadership	.822	.041	.731	2.547	.003
Human resource policies	.944	.037	.812	2.543	.013
Reward management	.839	.193	.740	2.475	.004
Work environment	.629	.047	.598	2.691	0.02

a. Dependent Variable: High labor turnover

**Summary of Findings**

**Whether leadership affects high labour turnover in ACA**

The study sought to find out from the respondents whether or not in their opinion; leadership in the organization affects the observed labor turnover. A majority of respondents affirm that leadership provided by the organization management leads to high labour turnover (70.5%); and that mentoring and coaching affects high labour turnover (75.0%). A majority further indicates that there are no mentorship and coaching program in the organization (84.1%); and that there is no criteria used to pick those who go to the mentorship and coaching program (88.6%). Respondents were further asked to rate the extent to which the said leadership style affects the high labor turnover in the organization. A majority, 33.9% are of the opinion that the leadership style practiced

in the organization contributes to the high turnover rate to a great extent, closely followed by 29.5% indicating that the extent of influence is moderate then 18.8% rating it as to a very great extent. Only 10.5% and 7.3% of respondents rate the extent of influence as low and very low respectively.

#### **Effects of organization human resource policies on high labour turnover in ACA**

Respondents were asked to indicate whether or not in their opinion, human resource policies in the organization affect the labor turnover thereof. A majority, 81.3%, of respondents are of the opinion that the organization's human resource policies affect the labor turnover. Respondents were further asked to indicate the extent to which in their opinion, human resource policies affect labour turnover in the organization. A majority of respondents, 40.9%, argue that human resource policies affect labour turnover in the organization to a great extent. This was followed by 25.5% rating the extent as moderate then 15.8%, to a very great extent. Only 8.3% rated the extent to which in their opinion, human resource policies affect labour turnover in the organization as very low.

#### **Conclusion**

From the findings, it can be noted that a majority of respondents are dissatisfied with the leadership in the organization and they attribute the same to the high turnover observed. Mentorship programmes are also found to be nonexistent or very weak, further contributing to the high labor turn over. the Autocratic leadership style mostly employed in the organization is further seen to largely centralize decision making in

the organization hence employees in the organization feel left out in major decision makings, as most decisions are made at the top level with minimal or no input from the lower cuddles, hence the high turnover. In this regard, most employees are only fairly satisfied with the leadership style but a significant number very dissatisfied hence the turnover. Leadership style can thus be said to greatly contribute to the high labor observed in the organization. To address this issue therefore, there is need to reconsider the leadership style practiced.

Human resource policies in the organization can also be deemed dissatisfactory among most employees hence the high labor turnover. From the finding, it can be deduced that employee selection and remuneration are the most contentious HR policies in the organization, influencing turnover. Among the notable HR policies attributable to the high turnover rate was found to be remuneration, as high levels of dissatisfaction with the same is observed. Salary can thus be said to be a very important human resource issues affecting turnover in the organization. Findings also point to the implication that efforts to address the high turnover in the organization ought to include salary review.

#### **Recommendations**

From the foregoing findings, analysis and conclusion, the following recommendations are hereby made: The study has identified the need for the study area and similar organizations to institute human resource policies that will enhance career growth opportunities for employees; improve working conditions, staff ought to be clearly communicated upon, the set goals and

targets; provide each staff a specific job description clearly indicating functions, responsibilities and reporting structures in addition to addressing staff issues and suggestions; and improve on the terms and conditions of service, there is need to periodically benchmark and review skilled staff' remuneration packages in line with best practices.

Also, all variables should be taken into consideration for the organization to hold on their staff and reduce the high labour turn over. ACA management with the help of the human resource department should ensure that they go back to the drawing table to establish as to why Leadership, Human resource policies, Reward

management and Work environment affect and influence high labour turnover. By doing this, they will be able to mitigate the factors and ensure the reduction of labour turn over is on the down low.

#### **Areas for Further Study**

The scope of this study was limited to high labour turn over in ACA; one should be done on all newly established parastatals to establish whether they are all affected by same phenomena. It would be worthwhile to study talent and performance management in organization as these have proven to have a ripple effect on high labour turn over.

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