

Perceived Effects of Remuneration on Employee Turnover at Teachers' Service Commission Secretariat, Kisumu

Paula Goren

Moi University

gorenpaula@yahoo.com



Abstract – Employee turnover has come to gain great attention all over the world, in various industries. The study was conducted Teachers' Service Commission (TSC) Secretariat, Kisumu. The study specifically sought to assess the effects of remuneration strategies, remuneration policies and timely pay on employee turnover at Teachers' Service Commission Kisumu secretariat. Descriptive research design was used in the study. Systematic sampling technique was used to select the respondents for questionnaires who were the employees at TSC. Research instrument used was semi-structured questionnaire and data was analyzed using descriptive statistics. The study realized that remuneration strategies, remuneration policies and timely pay positively influenced employee turnover at Teachers' Service Commission Kisumu secretariat. The study recommended that performance appraisal should be frequently and fairly done and emphasis should be put on encouraging improvement in employee relations and output; management policies on remuneration ought to be regular and commensurate with the prevailing economic conditions as well as the experience of the employees, and; there is need for more consultation on the issues of timely payment so as to enable employees to get interest-free financial relief from the organization at their time of need.

Keywords – Remuneration Strategies; Remuneration Policies; Timely Pay, Employee Turnover.

I. INTRODUCTION

Employee turnover has emerged as a matter of interests for companies and organizations. ([1],[2],[3]). Therefore, employers have to possess a keen interest in their employee turnover rate because it is viewed as an expensive part of conducting business ([4],[5]). According to Harmon *et al.*, [6], employee retention is mainly related to job satisfaction, motivation, rewards. As the organizations change, they are faced with this problem of employee turnover which becomes more crucial because requires highly developed skills and competencies ([7],[8]). Turnover causes the organization to incur some costs which includes recruitment, replacements, and production cost. Organizations have ensured a lot of problems in terms of high labor turn over, low employee motivation, low morale and unimpressive performance. Staff retention is closely linked to job satisfaction, rewards, motivation and a workplace that retains good staff ([6],[8]). The study was based on the expectancy theory which argues that the strength of a tendency to act in a certain way depends on the strength of

an expectation that the act will be followed by a given outcome and on the attractiveness of the outcome to the individual ([9],[10],[11]).

The study sought to test the following research hypotheses:

Ho1 : There is no significant relationship between remuneration strategies and employee turnover at Teachers' Service Commission Kisumu secretariat.

Ho2 : There is no significant relationship between remuneration policies and employee turnover at Teachers' Service Commission Kisumu secretariat.

Ho1 : There is no significant relationship between timely pay and employee turnover at Teachers' Service Commission Kisumu secretariat.

II. METHODOLOGY

The study utilized descriptive research design that describes a phenomenon, event, pattern and historical trend without attempting to determine what causes the phenomenon ([12],[13],[14]). A sample size of 88 was used in the study. The respondents were selected using simple random sampling technique which is a method by which all members of the population under study have the same chance (probability) of being selected ([15],[16],[17],[18]). The data was gathered using questionnaires which are set of questions to be used on a survey and where respondents are asked, with instructions that are appropriate showing which questions are supposed to be asked, and in what order ([19],[20],[21],[22]).

The study used descriptive statistics, which was intended to illuminate the data, so that their core characteristic was revealed ([23],[24],[25]). F-test was used to test the hypothesis and is usually used to check if the two samples used in the study were from the same population that is normal from two populations that are normal with equal variances or with variance that are equal ([26],[27],[28]). In using multiple regression analysis, the researcher made the following assumptions; that the data collected was normally distributed, that there were no univariate outliers, that variable was linearity dependent, multiple regression residuals was uncorrelated and that there was homogeneity of variances ([29],[30],[31]). In this case, the following multiple regression model was examined.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon, \text{ where,}$$

Y = Employee turnover
 X₁ = Remunerations strategies
 X₂ = Remuneration policies
 X₃ = Timely pay
 β_{i/s} Regression coefficient of the two independent variables
 ε=error term

III. RESULTS AND DISCUSSION

3.1 Demographic information of respondents

The table 1 below shows that 59% of the respondents were male while the remaining was female. This shows that majority of the employees are male. The study revealed that 48% of the employees were aged between 31-40 years, 32% aged 41-50 and only 6% of the employees were above 50 years. This shows that most of the employees quit the organization before they reach the age of 50. The table also

below shows the response with regard to length of service that employees have worked in the organization. From the table, most of the respondents had served between 6-10 years representing 46%, 18% had served between 1-5 years, 27% of them had served between 11-15 years and 9% of them had served the organization for over 15 years. The study findings revealed that 57% of the employees had attained college level education, 25% secondary level, 14% university level and only 4% had attained primary level education.

Table 1: Demographic Information of Respondents

Gender	Frequency	Percentage
Male	52	59%
Female	36	41%
Age bracket		
18-30	12	14%
31-40	42	48%
41-50	28	32%
Above 51	6	6%
Duration of work		
1-5 years	16	18%
6-10 years	40	46%
11-15 years	24	27%
Over 15 years	8	9%
Education level		
Primary	4	4%
Secondary	22	25%
College	50	57%
University	12	14%

3.2 Hypothesis Testing 1

In trying to test the significant of the model, the study used ANOVA. Further the ANOVA output shown in Table 4.2 reveals that the hypothesized multiple regression models was statistically adequate. The F-statistic value was significant at the 5% level (F_{3,83} = 6.320, p<0.05). This shows that the regression coefficients were significantly different from zero.

Table 2 : ANOVA^b Of Remuneration Strategies And Employee Turnover

	Model	df	Mean Square	F	Sig.
1	Regression	5	6.320	32.468	.000 ^a
	Residual	83	0.195		
	Total	88			

a. Predictors: (Constant), Remuneration strategies

b. Dependent Variable: Employee turnover

From the findings as depicted in Table 2, the study will reject the null hypothesis (Ho1): ‘There is no significant relationship between remuneration strategies and employee turnover at Teachers’ Service Commission Kisumu secretariat’. This is to insinuate that there is significant relationship between remuneration strategies and employee turnover at Teachers’ Service Commission Kisumu secretariat.

3.3 Hypothesis Testing 2

Furthermore, ANOVA output shown in Table 3 revealed that the hypothesized multiple regression models were statistically adequate. The F-statistic value was significant at the 5% level ($F_{5,83} = 9.421, p < 0.05$). This shows that the regression coefficients were significantly different from zero.

Table 3 : ANOVA^b Of Remuneration Policies And Employee Turnover

	Model	df	Mean Square	F	Sig.
1	Regression	5	9.421	21.564	.000 ^a
	Residual	83	0.203		
	Total	88			

a. Predictors: (Constant), Remuneration policies

b. Dependent Variable: Employee turnover

From the findings as indicated in Table 3, the study rejected the null hypothesis (Ho2) : ‘There is no significant relationship between remuneration policies and employee turnover at Teachers’ Service Commission Kisumu secretariat’. This is to indicate that there was significant relationship between remuneration policies and employee turnover at Teachers’ Service Commission Kisumu secretariat.

3.4 Hypothesis Testing 3

In addition, ANOVA output shown in Table 4.18 reveals that the hypothesized multiple regression models were statistically adequate. The F-statistic value was significant at the 5% level ($F_{5,83} = 16.876, p < 0.05$). This shows that the regression coefficients were significantly different from zero.

Table 4 : ANOVA^b of timely pay and employee turnover

	Model	df	Mean Square	F	Sig.
1	Regression	5	16.876	45.543	0.000 ^a
	Residual	73	0.508		
	Total	78			

a. Predictors: (Constant), Timely pay

b. Dependent Variable: Employee turnover

From the findings as shown in Table 4, the study rejected the null hypothesis (Ho3): ‘There is no significant relationship between remuneration policies and employee

turnover at Teachers’ Service Commission Kisumu secretariat’. This meant that there was significant

relationship between timely pay and employee turnover at Teachers' Service Commission Kisumu secretariat.

IV. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the present study, the following conclusions are drawn. That most of the respondents felt that they are compensated well based on their level of education and experience. However, most of them felt that there are complaints relating to their pay. The organization did not pay in appropriate time as per employment contracts with its employees as indicated by most of the respondents implying that the organization was not efficient in handling pay issues and did not promptly pay its employees. The study recommended that performance appraisal should be frequently and fairly done and emphasis should be put on encouraging improvement in employee relations and output. Management policies on remuneration ought to be regular and commensurate with the prevailing economic conditions as well as the experience of the employees. This will make the employees feel most valuable to the organizations. There is need for more consultation on the issues of timely payment so as to enable employees to get interest free financial relief from the organization at their time of need.

REFERENCES

- [1] Cappeli, P., 2000. A Market-Driven Approach to Retaining Talent. *Havard Business Review*, 1(1), pp. 103-111.
- [2] Loquercio, D., 2006. *Turnover and retention*, New York, NY: People in Aid.
- [3] Mwilu, J. M., 2016. Factors influencing employee turnover in the hotel industry in Machakos town, Machakos County, Machakos: SEKU.
- [4] Hissom, A., 2009. *Human Resource Management: Understanding and controlling employee turnover*, Kent, OH: Kent State University.
- [5] Nugent, A., 2009. Using Voluntary Benefits Strategically Can Help Employers Address Goals of Retaining Employees and Controlling Costs. *Benefits Quarterly*, 25(2), pp. 7-10.
- [6] Harmon, J. na wengine, 2007. Effects of High Involvement of Work Systems on Employee Satisfaction and Services Costs in Veterans Healthcare. *Journal of Healthcare Management*, 48(6), pp. 1-14.
- [7] Chiang, F. F. & Birtch, T. A., 2010. Pay for performance and work attitudes : The mediating role of employee. *International Journal of Hospitality*, 29(4), pp. 632-640.
- [8] Jagun, V., 2015. *An Investigation into the High Turnover of Employees within the Irish Hospitality Sector, Identifying What Methods of Retention Should Be Adopted*, North Dock, Dublin: National College of Ireland.
- [9] Vroom, V. H., 1964. *Work and motivation*. San Francisco, CA: Jossey-Bass.
- [10] Baum, J. R., & Locke, E. A., 2004. The Relationship of Entrepreneurial Traits, Skills, and Motivation to Subsequent Venture Growth, pp. 587-598.
- [11] Salaman, G., Storey, J. & Billsberry, J., 2005. *Strategic Human Resource Management : Theory and Practice*. 2nd mhar. New York, NY: Sage Publications Ltd.
- [12] Johnson, R. B. & Christensen, L., 2017. *Educational Research : Quantitative, Qualitative, and Mixed Approaches*. 6th mhar. London: SAGE Publications Ltd.
- [13] Salkind, N. J., 2017. *Exploring Research*. 9th ed. New York, NY: Pearson.
- [14] Spickard, J. V., 2017. *Research Basics*. London, UK: SAGE Publications, Inc.
- [15] Altinay, L., Paraskevas, A. & Jang, S., 2015. *Planning for Research in Hospitality and Tourism*. 2nd mhar. Amsterdam: Butterworth Heinemann.
- [16] Bourner, T. & Greener, S., 2016. *The Research Journey : Four Steps to Success*. Kwenye: T. Greenfield & S. Greener, wahar. *Research Methods for Postgraduates*. 3rd mhar. New Delhi, India: John Wiley & Sons, Ltd, pp. 27-32.
- [17] Hair, J. F. et al., 2016. *Essentials of Business Research Methods*. 3rd mhar. New York, NY: Routledge.
- [18] Bordens, K. S. & Abbott, B. B., 2017. *Research Design and Methods : A process approach*. 10th mhar. New York, NY: McGraw-Hill Education.
- [19] Passer, M. W., 2014. *Research Methods : Concepts and Connections*. New York, NY: Worth Publishers.
- [20] Sreejesh, S., Mohapatra, S. & Anusree, M. R., 2014. *Business Research Methods : An Applied Orientation*. New York: Springer International Publishing.
- [21] Ruel, E., Wagner, W. E. & Gillespie, B. J., 2016. *The Practice of Survey Research : Theory and application*. Thousand Oaks, California: SAGE Publications, Inc.
- [22] Patten, M. L. & Newhart, M., 2018. *Understanding research methods : An overview of the essentials*. 10th mhar. New York, NY: Routledge.
- [23] Singh, Y. K., 2006. *Fundamentals of Research Methodology and Statistics*. New Delhi: New Age International (P) Limited Publishers.

[24] Bowers, D., 2008. Medical Statistics from Scratch : An Introduction for Health Professionals. 2nd mhar. West Sussex: John Wiley & Sons Ltd.

[25] Clark, V. L. & Creswell, J. W., 2015. Understanding Research : A Consumer's Guide. 2nd mhar. London, UK: Pearson Education, Inc.

[26] Kothari, C. R., 2004. Research Methodology : Methods and Techniques. 2nd ed. New Delhi: New Age International Publishers.

[27] Field, A., 2009. Discovering Statistics Using SPSS. 3rd mhar. London: SAGE Publications Inc.

[28] Sahu, P. K., 2013. Research Methodology: A Guide for Researchers in Agricultural Science, Social Science and Other Related Fields. New Delhi: Springer.

[29] Tabachnick, B. G. & Fidell, L. S., 2007 . Using multivariate statistics. 5th mhar. Boston, Massachusetts: Allyn and Bacon..

[30] Fallon, M., 2016. Writing up Quantitative Research in the Social and Behavioral Sciences. Rotterdam, The Netherlands: Sense Publishers.