Macrothink Institute™

International Journal of Human Resource Studies
ISSN 2162-3058
2013, Vol. 3, No. 1

Effects of Staff Turnover on the Employee Performance of Work at Masinde Muliro University of Science and Technology

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Accepted: December 05, 2012 Published: January 23, 2013
Doi:10.5296/ijhrs.v3i1.3111 URL: http://dx.doi.org/10.5296/ijhrs.v3i1.3111

ABSTRACT

High staff turnover affects the smooth running of institutions. This study established the effect of staff turnover on performance of work in Masinde Muliro University of Science and Technology (MMUST). Specific objectives of the study were: to identify effects of staff turnover on administrative work and to identify financial/economic effects of staff turnover. A conceptual framework formed the basis of this study. Correlational research design was used in this study. Cluster random sampling procedure was used to collect data. Questionnaires, interviews, document analysis and observation were blended to capture authentic and exhaustive data. A randomly selected sample of 25 departments was used in this study. A total of 152 respondents participated. Data were analyzed using inferential and descriptive statistics.. The study established that economically, staff turnover in increases work for the remaining staff, leads to customer dissatisfaction, brings about decreased income due to reduced productivity, and leads to increased liability to the practice. Socially, staff turnover lowers staff morale and creates gaps in the social groupings. The study recommends that MMUST should improve on mechanisms of getting feedback from its staff members regarding problems that are likely to cause staff turnover. In addition, staff taking over duties performed by those exiting be given proper orientation.

Key Words; Non teaching departments, Non teaching staff, Performance of Work, Retention rate, Staff turnover and Teaching departments.

Acronyms and Abbreviations

HR Human Resource, **JAB** Joint Admissions Board, **PSSP** Privately Sponsored Students Programme

Introduction

Human resources professionals continually work to control their companies' employee retention and turnover rates. Retention is the term given to keeping loyal employees on board with your company. Turnover is the term given to the rate at which you lose existing employees and replace them with new ones. According to Babcock (2005), understanding employee retention and turnover, and how you can use each to your advantage, can enhance your human resources policies and build a productive workforce.

Retaining employees carries obvious advantages. Armstrong (2001) observed that long-term employees generally have higher productivity and efficiency on the job than newer employees, due to their length of experience with the firm. Loyal employees also improve operational processes and train incoming employees. According to Cole (2000), loyal employees can also be loyal customers and avoid word-of-mouth advertisers in certain cases. Especially for manufacturers and sellers of consumer products, loyal employees' entire families sometimes purchase and use the products.

Higher pay can be justified by the higher productivity of experienced workers, but there comes a point at which the law of diminishing returns sets in. The law of diminishing returns states that, for every additional unit of investment in certain situations, you receive less of a marginal return (Elliot, 1991).

Beer (1981) observed that employee turnover incurs opportunity costs to employers. As experienced workers are replaced by new hires, productivity can drop dramatically. Not only are new hires very unproductive compared to experienced workers, but trainers' productivity drops during training periods as well. The cost of placing employment advertisements and paying headhunters must be factored in, as well.

The advantage of high turnover is the lower labor expenses associated with employees not sticking around long enough for pay raises. Companies offering positions that do not require skilled labor benefit from the labor-cost savings of higher turnover (Egan, 1995).

Staff turnover can have a negative effect on an organization. It can lead to a loss of productivity, profitability, corporate knowledge, and skills and competencies. In addition, staff turnover is not just an issue for the organization experiencing staff turnover; it can also cause headaches for external organizations communicating with them.

It can be hard to maintain a relationship with an organization with high staff turnover, and it can be difficult to know how to effectively communicate with them through this period. Often correspondence between organizations relies on staff to staff communication, and the loss of one of these members affects the way the organizations interact.

However, as stakeholders and indeed institutions have experienced staff turnover, it has become one of those things that are expected and must be planned for. At MMUST, records indicate that 16 staff members left for other institutions in the year 2009. In 2010, the number increased to 21, and in 2011 the number increased to 26. This is a worrying trend. Therefore there is need to investigate the root cause of staff turnover and address it. It is on the basis of this that this study is designed to address the impact of staff turnover at MMUST.

Methodology

The study was carried out at Masinde Muliro University of Science and Technology. It covered 152 out of 460 staff on permanent and pensionable terms, stratified on the basis of academic and non academic departments. In this study, a correlation research design formed the basis of the study. In addition, the study population comprised of 1,000 teaching and non teaching staff. Purposive sampling technique was used to sample 7 heads of departments while simple random sampling was used to select 42 lecturers, 30 administrators, 14 technicians, 18 secretaries and 41 clerical staff and office assistants. Data collection Instruments used were questionnaires for staff and heads of departments, interview schedules for heads of departments, document analysis and observation checklist. The instruments were validated using content validity. The reliability of the questionnaires was determined through the calculation of a correlation coefficient (Cohen, *et al.*, 2004) between the first administration and the second. The computed correlation coefficient was 0.785 and significant ($P<0.05$) considered sufficient for the instruments to be used in the study. The data was analyzed using descriptive and inferential statistics such as frequencies, percentages and chi square respectively

RESULTS AND DISCUSIONS

This section presents the results derived from the process of data analysis.

Administrative Effect of Staff Turnover at MMUST

The effects that were studied include effect of staff turnover on work for the remaining staff and effect on customer satisfaction.

Table 1: Effect of turnover on work for the remaining staff

Response	Staff	Rank	H.O.Ds	Rank
Strongly Disagree	8(5.5%)	4	0(0%)	2
Disagree	16(11.1%)	3	0(0%)	2
Undecided	0(0%)	5	0(0%)	2
Agree	65(44.8%)	1	0(0%)	2
Strongly Agree	56(38.6%)	2	7(100%)	1

A Spearman Rank Order Correlation (r) was calculated to ascertain if there is a statistically significant ($p<0.05$) correlation in the responses between staff and heads of departments. The following results were obtained:

$$r = 0.75 \pm 0.20; \ P.E._r = 0.132$$

The calculated value of r is greater than six times the probable error ($P.E._r$) hence the value of r is significantly ($p<0.01$) different from zero correlation coefficient. Therefore, there were no statistically significant ($p>0.05$) differences between responses by staff and those of the heads of departments. The findings of this study (Table 1) indicate that, majority, 128(84.2%) respondents agreed that staff turnover increases work for the remaining staff. Specifically, 65(44.8%) staff and none of the heads of departments agreed; and 56(38.6%) staff and 7(100%) heads of departments strongly agreed. However, 24(15.8%) respondents disagreed. Specifically, 16(11.1%) staff and none of the heads of departments disagreed; 8(5.5%) staff and none of the heads of departments strongly disagreed; none of the staff and heads of departments were undecided. On the overall, the picture presented by the results of this study indicates staff turnover in organizations increases work for the remaining staff.

Staff turnover creates gaps in an organization's establishment. When one staff leaves the organization, all the work that is supposed to be done by that staff is either shared or transferred to the remaining staff. In most cases, where the organization has a lean staff, the work usually becomes overburdening to the remaining staff. Tyson and Fell (1986) observe that staff turnover increases work for the remaining staff, and one of the jobs is not done well, and staff and customers know it is not being done well.

Table 2: Turnover and customer dissatisfaction

Response	Staff	Rank	H.O.Ds	Rank
Strongly Disagree	21(14.5%)	4	0(0%)	2
Disagree	22(15.2%)	3	0(0%)	2
Undecided	11(7.6%)	5	0(0%)	2
Agree	46(31.7%)	2	0(0%)	2
Strongly Agree	45(31.0%)	1	7(100%)	1

A Spearman Rank Order Correlation (r) was calculated to ascertain if there is a statistically significant ($p<0.05$) correlation in the responses between staff and heads of departments. The following results were obtained:

$$r = 0.75 \pm 0.20; \ P.E._r = 0.132$$

The calculated value of r is greater than six times the probable error ($P.E._r$) hence the value of r is significantly ($p<0.01$) different from zero correlation coefficient. Therefore, there were no statistically significant ($p>0.05$) differences between responses by staff and those of the heads of departments. The findings of this study (Table 2) indicate that, majority, 98(64.5%) respondents agreed that staff turnover can lead to customer dissatisfaction. Specifically, 46(31.7%) staff and none of the heads of departments agreed; and 45(31.0%) staff and 7(100%) heads of departments strongly agreed. However, 54(35.5%) respondents disagreed. Specifically, 22(15.2%) staff and none of the heads of departments disagreed; 21(14.5%) staff and none of the heads of departments strongly disagreed; 11(7.6%) staff and none of the heads of departments were undecided. On the overall, the picture presented by the results of this study indicates staff turnover in organizations can lead to customer dissatisfaction.

This study's findings show that staff turnover negatively affects customer satisfaction. Whenever staffs leave an organization, services rendered to customers are interfered with. Customers are not attended to in time due to shortage of staff. Tyson and Fell (1986) observe that in the event that one staff leaves the organization, customers are among the first to know that work is not being done well. In some cases, those who take the jobs of those who have exited are not so efficient, or not so familiar with the procedures. The slow rate of service to customers lowers customer satisfaction levels and thus spoils the reputation of the organization.

Financial and Economic Effects of Staff Turnover at MMUST

The effects studied include effects of turnover on income; and liability to the practice.

Table 3: Effects of turnover on income

Response	Staff	Rank	H.O.Ds	Rank
Strongly Disagree	35(24.1%)	2	0(0%)	3
Disagree	32(22.1%)	4	1(14.2%)	3
Undecided	6(4.1%)	5	0(0%)	3
Agree	31(21.4%)	3	3(42.9%)	1
Strongly Agree	41(28.3%)	1	3(42.9%)	1

A Spearman Rank Order Correlation (r) was calculated to ascertain if there is a statistically significant ($p<0.05$) correlation in the responses between staff and heads of departments. The following results were obtained:

$$r = 0.75\pm0.20; \; P.E._{r} = 0.132$$

The calculated value of r is greater than six times the probable error ($P.E._{r}$) hence the value of r is significantly ($p<0.01$) different from zero correlation coefficient. Therefore, there were no statistically significant ($p>0.05$) differences between responses by staff and those of the heads of departments.

The findings of this study (Table 3) indicate that, minority, 72(47.4%) respondents agreed that staff turnover brings about decreased income due to reduced productivity. Specifically, 31(21.4%) staff and 3(42.9%) heads of departments agreed; and 41(28.3%) staff and 3(42.9%) heads of departments strongly agreed. However, Majority 80(52.6%) respondents disagreed. Specifically, 32(22.1%) staff and 1(14.2%) head of department disagreed; 35(24.1%) staff and none of the heads of departments strongly disagreed; 6(4.1%) staff and none of the heads of departments were undecided. On the overall, the picture presented by the results of this study indicates staff turnover in organizations brings about decreased income due to reduced productivity.

Turnover lowers productivity in organizations because it reduces on the efficiency of operations. This observation agrees with Armstrong and Baron (1998) who argued that high employee turnover brings about decreased income due to reduced productivity. In organizations where they operate with optimal number of employees, departure of one employee greatly affects the output of the whole organization as it affects the processes directly.

Table 4: Liability to the practice

Response	Staff	Rank	H.O.Ds	Rank
Strongly Disagree	17(11.7%)	4	0(0%)	3
Disagree	21(14.5%)	3	0(0%)	3
Undecided	12(8.3%)	5	0(0%)	3
Agree	45(31.0%)	2	1(14.3%)	2
Strongly Agree	50(34.5%)	1	6(85.7%)	1

A Spearman Rank Order Correlation (r) was calculated to ascertain if there is a statistically significant ($p<0.05$) correlation in the responses between staff and heads of departments. The following results were obtained:

$$r = 0.75 \pm 0.20; \; P.E._r = 0.131$$

The calculated value of r is greater than six times the probable error ($P.E._r$) hence the value of r is significantly ($p<0.01$) different from zero correlation coefficient. Therefore, there were no statistically significant ($p>0.05$) differences between responses by staff and those of the heads of departments. The findings of this study (Table 4) indicate that, majority, 102(67.1%) respondents agreed that staff turnover leads to increased liability to the practice. Specifically, 45(31.0%) staff and 1(14.3%) head of department agreed; and 50(34.5%) staff and 6(85.7%) heads of departments strongly agreed. However, 50(32.9%) respondents disagreed. Specifically, 21(14.5%) staff and none of the heads of departments disagreed; 17(11.7%) staff and none of the heads of departments strongly disagreed; 12(8.3%) staff and none of the heads of departments were undecided. On the overall, the picture presented by the results of this study indicates that staff turnover in organizations leads to increased liability to the practice.

Reduced number of employees in an organization increases the work for the remaining staff. According to the findings of this study, the increase in the workload overburdens the remaining staff and therefore can lead to serious errors being made due to overwork. These sentiments agree with those of Becker et al, (1997) who observed that departure of one staff may lead to errors in the work performed by those taking over. This may happen either because the one taking over lacks the requisite skills to perform the job or is overburdened by work in his or her substantive position.

Social Effects of Staff Turnover at MMUST

The social effects identified include effects of turnover on staff morale, effect on social groupings.

Table 5: Effect of Turnover on staff morale

Response	Staff	Rank	H.O.Ds	Rank
Strongly Disagree	13(9.0%)	4	0(0%)	3
Disagree	23(15.9%)	3	0(0%)	3
Undecided	3(2.1%)	5	0(0%)	3
Agree	55(37.9%)	1	2(28.6%)	2
Strongly Agree	51(35.2%)	2	5(71.4%)	1

A Spearman Rank Order Correlation (r) was calculated to ascertain if there is a statistically significant ($p<0.05$) correlation in the responses between students and deputy principals. The following results were obtained:

$$r = 0.8\pm0.16;\ P.E._r = 0.1086.$$

The calculated value of r is greater than six times the probable error ($P.E._r$) hence the calculated value of r is significant ($p<0.01$) compared to where $r = 0$. Therefore, there are no statistically significant ($p>0.05$) differences between responses by students and those of deputy principals.

The findings of this study (Table 5) indicate that, majority, 113(74.3%) respondents agreed that staff turnover lowers staff morale. Specifically, 55(37.9%) staff and 2(28.6%) heads of departments agreed; and 51(35.2%) staff and 5(71.4%) heads of departments strongly agreed. However, 39(25.7%) respondents disagreed. Specifically, 23(15.9%) staff and none of the heads of departments disagreed; 13(9.0%) staff and none of the heads of departments strongly disagreed; 3(2.1%) staff and none of the heads of departments were undecided. On the overall, the picture presented by the results of this study indicates that staff turnover in organizations lowers staff morale.

High staff turnover creates an impression that things are not okay. In organizations where there is discontent among the workers, many of them work to exit to other places. Exit of workers lowers the morale of the remaining lot since they feel that they are left behind to suffer. It makes them to develop a negative attitude towards everything in the organization. This observation agrees with Sparrow (1996) who observed that staff who work hard, (those with a sense of duty and industry) tend to be much more negatively affected by the increased work generated by high staff turnover. According to the observations made by this study, staff turnover increases errors and omissions in work. This agrees with the observations made by Derek et al, (2008). Indeed staff turnover brings about increased workload and disorganizes an organization’s establishment. This creates imbalances both in human resources available and allocation of duties in the organization. This therefore creates an environment prone to mistakes being made by the remaining staff.

Table 6: Turnover and gaps in social groupings

Response	Staff	Rank	H.O.Ds	Rank
Strongly Disagree	17(11.7%)	4	0(0%)	3
Disagree	21(14.5%)	3	0(0%)	3
Undecided	12(8.3%)	5	0(0%)	3
Agree	45(31.0%)	2	1(14.3%)	2
Strongly Agree	50(34.5%)	1	6(85.7%)	1

A Spearman Rank Order Correlation (r) was calculated to ascertain if there is a statistically significant ($p<0.05$) correlation in the responses between students and deputy principals. The following results were obtained:

$$r = 0.8\pm0.16;\ P.E._r = 0.1086.$$

The calculated value of r is greater than six times the probable error ($P.E._r$) hence the calculated value of r is significant ($p<0.01$) compared to where $r = 0$. Therefore, there are no statistically significant ($p>0.05$) differences between responses by students and those of deputy principals.

The findings of this study (Table 6) indicate that, majority, 102(67.1%) respondents agreed that staff turnover leads to gaps in the social groupings. Specifically, 45(31.0%) staff and 1(14.3%) head of department agreed; and 50(34.5%) staff and 6(85.7%) heads of departments strongly agreed. However, 50(32.9%) respondents disagreed. Specifically, 21(14.5%) staff and none of the heads of departments disagreed; 17(11.7%) staff and none of the heads of departments strongly disagreed; 12(8.3%) staff and none of the heads of departments were undecided. On the overall, the picture presented by the results of this study indicates that staff turnover in organizations creates gaps in the social groupings.

CONCLUSIONS

Based on the findings of the study, the following conclusions were made: Staff turnover has negative administrative effects on the organization; in addition, staff turnover has negative financial effects on the organization; and Staff turnover negatively affects the social set up of an organization. The study recommends that: The University management should proactively and always hasten the replacement of those staff who the organization to reduce the negative effect brought about by the staff who leave; Management should improve the terms and conditions of services to improve on the staff retention rate so as to avoid liabilities caused by staff turnover. In addition, the university should work to support the stability of social groupings by allowing members time off for their meetings and facilitating them to have monthly subscriptions to their social groupings done by check off system. Their officials can also be allowed to participate in decision making on issues that affect them.

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