FACTORS LEADING TO EMPLOYEE TURNOVER IN FINANCIAL INSTITUTIONS: A CASE STUDY OF COOPERATIVE BANK OF KENYA

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other University

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This project has been submitted for examination with our approval as the University supervisor

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Employee turnover in financial institutions has become an important area of research from both a theoretical and a practical standpoint. It is important from a theoretical perspective, in understanding how the underlying causes of turnover can provide insights into how to control the growing problem and where an organization's turnover problems lie. However, from a practical standpoint, learning how to minimize the turnover of skilled employees is crucial from the business expense side. Organizations in the twenty-first century must be able to keep knowledgeable and experienced employees working in their organization. This problem is even more critical in today's business world considering unemployment rates are hovering near a 30-year low. This study examined 30 employee exit interviews from a chain of 10 branches of cooperative bank of Kenya to analyze the reasons given for leaving the organization. The different reasons for leaving the organization were organized into categories based on similarities found. Full time and part time employees most often left due to job-related reasons. Hourly employees most often left due to non-job-related reasons. Exiting employees who had worked in the bank three months or less most frequently left due to low remuneration, while exiting employees who had worked 12 months or more frequently left due to job-related reasons. No significant differences were found in the reasons given for termination by males and females. The findings of this research can be used in the development of appropriate programs to reduce the level of employee turnover within retail organizations.